Daily Report

Latin America

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Bolivian Minister on Future Inter-American Summit

PY2103202894 Madrid EFE in Spanish 1637 GMT 21 Mar 94

[Text] Brasilia, 21 Mar—Bolivian Foreign Minister Antonio Aranibar said here today that U.S. Vice President Al Gore is interested in knowing the positions of Bolivia, Argentina, and Brazil regarding the continental summit organized by U.S. President Bill Clinton for December in Miami.

Bolivia was the first country visited by Gore on his tour to these three countries. Aranibar met with the U.S. vice president during the eight hours he was in Bolivia yesterday before traveling to Buenos Aires, where he finds himself today.

Aranibar told EFE that Gore had expressed his wish to receive from the Latin American leaders "topics for the future inter-American dialogue," an initiative that demands appropriate preparation.

Gore also discussed drug enforcement with Bolivian President Gonzalo Sanchez de Lozada and other Bolivian personalities, although it was "not the central subject" of conversation, Aranibar said.

Following his visit to Bolivia, Gore is currently in Buenos Aires, from where he will travel to Brasilia, the last leg of his Latin American tour. He will stay in Brasilia for six hours.

The Bolivian foreign minister arrived today on an official flight from La Paz to attend a meeting of the foreign ministers of the Rio Group. The Rio Group is made up of 13 members: Brazil, Argentina, Bolivia, Peru, Chile, Colombia, Venezuela, Paraguay, Uruguay, Mexico, Ecuador, Guatemala (representing Central America), and Trinidad and Tobago (representing the Caribbean).

The 48-hour Rio Group meeting began today at Itamaraty Palace, and is being held precisely to discuss positions for the summit organized by Clinton, and for a preliminary document prepared by experts from several governments and the Economic Commission for Latin America, ECLA, on "poverty, the neglected sectors, and unemployment."

Regarding the summit in Miami, Aranibar said that the countries of the continent must prepare "an agenda for the new world" which must include the main subjects that will dominate the inter-American dialogue in the next few years.

He also said that certain subjects connected with economic and social development, as well as regional integration—including the possible membership of other Latin American countries to the North American Free Trade Agreement among the United States, Canada, and Mexico—must also be included in the agenda.

According to Aranibar, the inter-American subjects for the Miami summit must include participative democracy, the struggle against corruption, the stability and solidness of the democratic institutions, and rational development.

Venezuela To Raise Poverty Issue at Summit

PY2103131594 Madrid EFE in Spanish 0713 GMT 21 Mar 94

[Text] Brasilia, 21 Mar (EFE)—Venezuelan Foreign Minister Miguel Angel Burelli told EFE today in Brasilia that the eradication of poverty must be "the number one issue" at the continental summit called by U.S. President Bill Clinton for December in Miami (United States).

The Venezuelan minister said he believes Clinton's initiative is of "supreme interest" as a way to develop new relations between the United States and Latin America following the end of the Cold War.

Burelli said: "We hope the schedule" for the Miami summit "will be established soon." Burelli will participate in a 48-hour meeting of foreign ministers and governmental representatives from 13 Rio Group countries that begins today at Itamaraty, the Brazilian Foreign Ministry headquarters.

This summit will allow an exchange of opinions toward consensus among Latin American governments before the summit called by President Clinton, and to review the international situation.

The ministers will establish the bases for two upcoming Rio Group summits: the talks that are held twice a year with the EC foreign ministers—scheduled for 20-23 April in Sao Paulo—and the Eighth Annual Rio Group summit scheduled for 8-9 September in Rio de Janeiro.

Even though it is not on the agenda, the delegates will use the meeting to probe preferences for the election of a new OAS secretary general on 27 March in Washington.

Diplomatic sources have stated that this issue will crop up in lobby talks and even in the Rio Group's three flexible sessions as any delegation head is allowed to raise it.

Foreign Minister Burelli is one of the candidates for the OAS General Secretariat, replacing Brazilian diplomat Joao Baena Soares, whose five-year term ends in June.

Colombian President Cesar Gaviria and Costa Rican Foreign Minister Bernd Niehaus are also running.

Foreign Minister Burelli indicated that the Rio Group must forge "a social bias" for Latin American policy because "the people eagerly want consideration in the decision-making process."

Burelli said: "Poverty represents a new scourge within society as it has new elements of insecurity that cannot be fought with armies. It is tied to hunger, terrorism, drug trafficking, violence, and growing destitution."

Burelli said that internal and external migration in Latin American countries has helped to form "pockets" of misery in large cities. He mentioned the migration from rural areas and the arrival of about 60,000 Guyanese citizens in Venezuela. They become involved in the underground economy.

The people responsible for regional diplomacy will assess a preliminary document entitled: "Poverty, Destitution, and Unemployment." This document was compiled at the Rio Group's request by experts from various governments, the Economic Commission for Latin America (ECLA), and the United Nations.

The document proposes guidelines to cure the phenomena and will become a Rio Group's contribution for the UN Conference on Social Development scheduled for 1995 in the city of Copenhagen.

Venezuelan Foreign Minister Views OAS Candidacies

PY2103125494 Madrid EFE in Spanish 0825 GMT 21 Mar 94

[Text] Brasilia, 21 Mar—Venezuelan Foreign Minister Miguel Angel Burelli, who is a candidate for the post of general secretary of the OAS, said today in Brasilia that the OAS, which comprises 35 nations of the continent, could become a great organization.

"An inferiority complex has been created regarding the OAS, and it is necessary to overcome it," Burelli said. He challenged the other candidates, Colombian President Cesar Gaviria and Costa Rican Foreign Minister Bernd Niehaus, to a television debate—possibly over the U.S. CNN Channel.

Regarding the acceptance of his initiative, the Venezuelan foreign minister told EFE that "the ball is in their court."

Burelli is participating in Brasilia in a 48-hour meeting of the foreign ministers and government delegates of the 13 countries of the Rio Group, the main mechanism for political and economic agreement within Latin America.

The ambassadors of OAS member countries will elect a successor of the Brazilian diplomat Joao Baena Soares, who has occupied the post of OAS secretary general for two consecutive 5-year periods since 1984.

Referring to Gaviria, Burelli said that never—during the history of the organization—has the United States ever proposed a candidate on its own initiative.

Gaviria's candidacy is supported by several Rio Group countries including Mexico, Brazil, Colombia, Peru, and Argentina.

Burelli highlighted the OAS system of organization, which has a developed administrative apparatus and a democratic hue because each nation, no matter how large or small, has one vote.

The Venezuelan foreign minister—who was Venezuelan ambassador to Washington, London, and Bogota—added that he will not campaign during the Rio Group meeting. He said: "I have come to the meeting and that is all."

Burelli said that "there are new factors" to evaluate regarding the Cuban situation. "The Cuban people have suffered a lot. There cannot be the same confrontation of ideas now as in bygone days."

Baena Soares said he believes it is necessary to consider the reintegration of Cuba into the OAS because "the 1990's are not the 1960's."

Burelli complained to EFE about the interpretation by the international media of the Venezuelan situation following the December 1993 elections in which Rafael Caldera became president.

"The international press is not convinced that ethical standards are being changed" in Venezuela, he explained.

Burelli said President Caldera is willing to "completely reorganize the family" of his country, by offering pardons to all military officers who rose up in arms against the government of then President Carlos Andres Perez.

He added that those who found refuge in Peru are now returning, adding that five officers being held the San Carlos Garrison in Caracas will be released "at any moment."

Uruguay Proposes Consensus Candidate

PY2103215994 Madrid EFE in Spanish 1948 GMT 21 Mar 94

[Text] Brasilia, 21 Mar (EFE)—Uruguay has proposed seeking a consensus candidate in the elections for OAS general secretary to be held in Washington on 27 March. This proposal was made in Brasilia today.

Uruguayan Foreign Minister Sergio Abreu pointed out that the initiative for seeking a consensus candidate "may seem a vague response, but it is in fact a responsible one" given the atmosphere of confrontation arising from the candidacies of Colombian President Cesar Gaviria and Costa Rican Foreign Minister Bernd Niehaus.

The third aspirant for replacing Brazilian diplomat Joao Baena Soares is Venezuelan Foreign Minister Miguel Angel Burelli, who together with Abreu is participating in the two-day meeting of Rio Group foreign ministers which was inaugurated today at Itamaraty, the seat of the Brazilian Foreign Ministry.

The Uruguayan Foreign Minister noted that the controversy between groups of countries—Central America and the Caribbean support Niehaus, whereas North and South America endorse Gaviria—may lead to a split in the organization, which could have an adverse effect on the tenure of the next secretary general.

Abreu neither gave many details about his initiative, nor did he put forward for consideration the name of a possible candidate. He said that his proposal had met with the approval of the Rio Group delegations, especially those from countries that fear a split in the OAS.

Abreu stated: "The OAS ought not to go to elections with a confrontation. If we leave things as they stand now, we will start the new tenure of the General Secretariat with an entrenched split."

Seven of the 13 Rio Group nations—Mexico, Argentina, Brazil, Bolivia, Paraguay, Colombia, and Peru—support Gaviria on the grounds that his election will bring prestige to the OAS, as he has successfully discharged his duties as Colombian president, his four-year term in office expiring in August.

Although his country supports Gaviria, Argentine Deputy Foreign Minister Fernando Petrella seconded the idea of debating a consensus formula.

Within the Rio Group, Chile, Guatemala, and Trinidad and Tobago endorse Niehaus' candidacy. Only Venezuela endorses Burelli.

The other members of the group have not yet decided for whom they will vote. Uruguay is in favor of reaching a consensus on the candidacy, and Ecuador —which had pledged to support Niehaus in 1993—has recently indicated that it will not come to a decision until the minute before each country's ambassador hands in the ballots at the OAS headquarters.

Diplomatic sources in Brasilia reported that if Gaviria decides not to run for office, Bolivia would be willing to vote for the Costa Rican foreign minister.

In response to a question asked of him by reporters, Chilean Foreign Minister Carlos Figueroa said that he will respect "the commitment" to vote for Niehaus made by former President Patricio Aylwin several years ago, when Gaviria was not yet a candidate.

This pledge is included in a joint declaration issued by Aylwin and Costa Rican President Rafael Calderon—both of whom are Social Democrats—after a meeting.

Rio Group Foreign Ministers Open Brasilia Meeting

PY2203000994 Madrid EFE in Spanish 1734 GMT 21 Mar 94

[Text] Brasilia, 21 Mar (EFE)—The foreign ministers and government representatives of the 13 member countries of the Rio Group today began their 48-hour meeting in Brasilia, during which they will discuss the international situation.

During the three work meetings that will be held they will establish the position of the Latin American governments regarding the continental summit organized by U.S. President Bill Clinton for December in Miami.

Host Foreign Minister Celso Amorim said during the opening ceremony that the delegations will discuss initiatives for obtaining access to advanced technologies from developed countries.

The subject of poverty and unemployment in Latin America and the functioning of the Rio Group will also be discussed, as will the 1994 calendar of meetings, especially the meeting with the foreign ministers of the European Union, which will take place 20-23 April in Sao Paulo, and the eighth annual summit to take place in Rio de Janeiro 9-10 September.

The foreign ministers will take the opportunity during the meeting to sense preferences for the election to be held 27 March in Washington for OAS secretary general, replacing the Brazilian Joao Baena Soares.

The meeting is being attended by Foreign Ministers Celso Amorim of Brazil, Manuel Tello of Mexico, Miguel Angel Burelli of Venezuela, Antonio Aranibar of Bolivia, Carlos Figueroa of Chile, Gladys de Vielman of Guatemala, Sergio Abreu of Uruguay, Luis Maria Ramirez Boettner of Paraguay, and Ralph Moraj of Trinidad and Tobago.

Other delegations are represented by their deputy foreign ministers: Jorge Gordillo of Peru, Andelfo Garcia of Colombia, and Fernando Petrella of Argentina. The Ecuadoran delegation is headed by Ecuadoran Ambassador to Brasilia Cesar Valdivieso.

Cuba

Castro Denies Reports on Solidarity Summit

PA1903043694 Santa Fe de Bogota Emisoras Caracol Network in Spanish 0400 GMT 19 Mar 94

[From the "Quarter of an Hour" newscast]

[Text] Santa Fe de Bogota—Cuban President Fidel Castro today flatly denied that there is any truth to the report that Ivan Marquez, Alfonso Cano, and Monsignor Nel Beltran met in Cuba during the second half of January.

Castro said that the report is nothing but more pressure by groups interested in hindering the sale of Colombian petroleum to Cuba and hastening the break of diplomatic relations between the two countries.

Castro made the statement prior to an official announcement in which he will respond to a Colombian Foreign Ministry request for clarification on the Solidarity Summit in Cuba. He pointed out that a Protestant prelate who currently lives in Medellin attended this meeting on behalf of Colombia.

Meanwhile, Ernesto Samper Pizano, the official presidential candidate of the Liberal Party, reacted by advising against any desperate actions and saying that we should listen carefully to the explanations given by the Cuban Government.

Robaina: Cuba Does Not Support Guerrillas

PA1803145294 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 18 Mar 94

[From the "Caracol's 0600 to 0900" newscast]

[Text] Referring to the Colombian Government's request that Cuba explain the guerrilla summit, Cuban Foreign Minister Roberto Robaina has said that Colombia must understand the world lives a different reality and the Cuban Government understands that this reality implies that guerrilla groups cannot be supported. Governments have established the conditions for the disappearance of those groups and Cuba abides by and respects those rules.

The Cuban Government has reiterated that there was no guerrilla summit in Havana last January. Someone wants to hurt our good relations, Cuban Ambassador Jesus Martinez said in Santa Fe de Bogota. Colombian Foreign Minister Noemi Sanin said it is too early to talk about breaking relations with Cuba. She reiterated that the Colombian Government is waiting for Havana's reply. Monsignior Nel Beltran, who was quite offended, has reaffirmed that he has never been in Havana and added that he will sue EL TIEMPO newspaper for slander.

Robaina Arrives in Vietnam for Official Visit

Meets With Counterpart

FL2103173594 Havana Radio Reloj Network in Spanish 1532 GMT 21 Mar 94

[Text] Vietnamese Foreign Minister Nguyen Manh Cam emphasized that the visit by Cuban Foreign Minister Roberto Robaina marks a new stage in consolidation of bilateral ties between the two countries. Minutes before Robaina's visit, Nguyen Manh Cam told PRENSA LATINA that the traditional ties of friendship between Cuba and Vietnam have received a significant boost in the last 18 months.

Robaina said that his trip to Vietnam was not only an unavoidable duty, but an enormous satisfaction because of the existing friendship between the two peoples and the desire to improve on cooperative trade and all other possible areas.

Tomorrow, the Cuban delegation will hold a series of meetings with Dau Ngoc Xuan, chairman of the state Cooperation and Investment Committee, and the ministers of agriculture, the food industry, and commerce and tourism.

Meets With Prime Minister Vo Van Kiet

FL2103195994 Havana Radio Rebelde Network in Spanish 1800 GMT 21 Mar 94

[Excerpt] [Passage omitted] Today, Cuban Foreign Minister Roberto Robaina met with Vietnamese Prime Minister Vo Van Kiet at the executive offices. During the meeting, Vo Van Kiet expressed his admiration and appreciation for the Cuban people and added his assurance that they will succeed and that they will always have the helping hand and support of the Vietnamese people.

Delivers Castro Message to Vo Van Kiet

FL2203023394 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 22 Mar 94

[Text] Cuban Foreign Minister Roberto Robaina today delivered to Vietnamese Prime Minister Vo Van Kiet a message from Commander in Chief Fidel Castro in which Castro expresses gratitude for Vietnam's gestures of solidarity. Vo Van Kiet pointed out that the traditional ties of brotherhood between the two nations have transcended the borders of time and formalities, to move toward new modalities that will permit the development of both nations. He then added that the Cubans have given Vietnam enormous support in the past and stressed that now the Vietnamese people are ready to do everything they can for their beloved friends.

For his part, Robaina said it is a privilege to have his Asian tour end in Vietnam, a country for which we feel special admiration and respect because of its remarkable economic achievements of the last few years.

Havana Denounces Clinton's Call for Miami Summit

PA2103172394 Havana Radio Havana Cuba in Spanish 0100 GMT 19 Mar 94

[Commentary by Pedro Otero from the "Evening Information Review" newscast]

[Excerpt] A few days ago, U.S. President William Clinton called for a summit meeting of American chiefs of state in Miami, Florida. He excluded Cuba from that invitation considering that Cuba does not meet the democratic requirements Washington has set for the rest of the area countries. So there will be a meeting without Cuba, the rebel member of the community.

Curiously, the call for a summit ignores the OAS, which because of its nature and purposes should be the one to promote such a summit, and ignoring them calls attention to a certain degree of speed and improvisation.

It has been said that the meeting will be on democracy, cooperation, and economy. In my opinion, this is an effort aimed at intruding in Iberio-American summit meetings or, at least, reducing the possibility of these summits working for unity and regional cooperation.

There is no doubt the Miami meeting has untrustworthy objectives. The United States tried to get invited to the first summit meeting of Ibero-American presidents in Guadalajara, Mexico, in 1991. It did not achieve its objective but it maintained its desire to be kept officially informed of what was discussed there. I do not know if it tried to do the same at the other summits, in Spain and Brazil. The White House has diminished the importance of what the Ibero-American chiefs of state said. What is clear is that the current call is aimed at reducing the significance of this movement, which will hold its fourth summit in Cartagena de Indias, Colombia, in June.

Once again Washington is marshalling its ability to try to divide our people with plans and projects that have nothing to do with our regional problems. We have been fooled for decades with dreams about development and well-being. Now, on the threshold of the 21st century, we are being told the same stories we were told last century to try and keep us separated. U.S. economic and military power has always obstructed Latin America's fair aspirations for unity.

At the Guadalajara summit, President Fidel Castro expressed caution about the so-far useless efforts to become an economically powerful and politically united community in spite of our huge resources and talent. [passage omitted]

German Social Democratic Party Delegation Visits

PA2103160894 Hamburg DPA in Spanish 1709 GMT 19 Mar 94

[Text] Havana, 19 Mar (DPA)—A delegation from the Social Democratic Party of the German region of Hessen, led by deputy Joachim Tappae, arrived today in Santiago de Cuba to implement a broad information exchange program. The official national news agency said the mission led by a presidency member of the second largest political party in the Federal Republic of Germany will meet with top authorities of the Santiago de Cuba Province, located some 950 km east of Havana.

Tappae, who is also a member of the German Bundestag (parliament), told the media that during his one-week visit to Cuba, he will seek to obtain firsthand knowledge of the Cuban situation after changes in the world. He pointed out that he is especially interested in exploring the possibility of increasing political ties between northern Hessen and Santiago de Cuba. According to Tappae, although northern Hessen and Santiago de Cuba are physically distant from each other, they share some similarities in their historic backgrounds and various economic activities.

The agenda includes touring production, cultural, scientific, and recreative centers, a visit to the mining community of El Cobre, which is one of the oldest in Cuba, as well as meetings with government and political authorities.

'Important' Trade Meeting With Dutch Begins

FL2203033094 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 22 Mar 94

[Text] The important Cuba-Netherlands bilateral meeting for trade relations began in this capital today at the Hotel Comodoro at 1500. I say important meeting because the businessmen from the Netherlands are accompanied by a trade mission from 22 companies, which will study at first hand the possibilities of investing in the construction of waterworks and port facilities, in the textile industry, and in food products. Also present are representatives from important financial banks and legal assistance. According to the chairman of the Dutch party, Wuliam Want Waut [identified by caption], the objective is to activate this group after years of regrettable immobility.

[Begin Wuliam Want Waut recording, in English with superimposed translation into Spanish] The only problem is that they need time. This is a characteristic of the Dutch. They need time to study things in depth. However, we expect very good results from this visit. [end recording]

The Netherlands is an important trading partner for Cuba, one whose exchange value over the past three years exceeded $50 million; they have, in Cuba, such prestigious companies as Castrol, and they trade in areas

as vital as nickel. Indeed, thanks to the work of this bilateral group, a Dutch bank extended credit to Cuba's nickel and sugar industries, although Cuban representative (Ariel Maso) says there are other fields, too.

This group will be making bilateral contacts until Friday [25 March], when the individual and collective results of the negotiations will be learned. Businessmen from both countries can rely on a market that is needful and almost virgin and, in addition, has the corresponding financing—apparently all the links to allow the economy to benefit.

[Havana Radio Rebelde Network in Spanish at 0000 GMT on 22 March says in a similar report: "Some 20 businessmen make up the Netherlands trade mission which today began exchanges aimed at identifying the host's new interests that might be attractive to the visitors. Marta Camacho, secretary general of the Chamber of Commerce of the Republic of Cuba, welcomed the delegation, which is headed by (Juan F. Stor), former Netherlands ambassador to Havana.

"The meeting is being held at the Comorodo Hotel and will last until next Friday [25 March].

"The Dutch mission is made up mainly of representatives of firms involved in waterworks and port facility construction, the agricultural industry, providers of food products, the textile industry, banking institutions, and the legal assistance field."]

Opposition Leader Views Likelihood of Change

AU2103172394 Prague LIDOVE NOVINY in Czech 17 Mar 94 p 5

[Interview with Carlos Alberto Montaner, chairman of Cuban opposition organization, by Martin Ehl in Madrid; date not given: "Castro's Obstinacy Is an Obstacle"]

[Text] "The Cuban opposition, both abroad and at home, is very fragmented. The first step in Cuba's transition from a totalitarian regime will be the unification of all opposition forces," Carlos Alberto Montaner, chairman of the Cuban Liberal Union in Exile and head of the influential dissident organization Democratic Platform, told a group of Czech reporters in an interview. Montaner has been living in exile since the age of 18, and currently works as a journalist and translator in Spain.

[LIDOVE NOVINY] Could you briefly describe the situation of the Cuban opposition?

[Montaner] We expect fundamental changes in Cuba. The regime is trying to survive at the cost of constantly intensifying repressions. The opposition is attempting to find a peaceful solution that would lead to talks and free elections. The authorities continue, however, to persecute the dissidents.

[LIDOVE NOVINY] Could you say what is the stand of the Democratic Platform regarding the person of Jorge Mas Canosa (leader of a strong right-wing exile organization in the United States—LIDOVE NOVINY note)?

[Montaner] Mas Canosa represents a group that does not believe in a peaceful solution to the situation in Cuba, and expects that the change will be accompanied by acts of violence against the regime. That certainly is very dangerous because it could lead to a civil war that would completely devastate the country.

The main difference between us is that we endeavor to talk with Castro's government and seek a political solution.

[LIDOVE NOVINY] Do you get any help from the international community?

[Montaner] Yes. There is a group of Christian democrats and a group of social democrats in our Liberal Union. They both maintain contacts with the international centers of their respective movements.

We have encountered great understanding and help in the postcommunist countries, also in the Czech Republic, which, as a former communist state, knows what it means to have a communist government.

[LIDOVE NOVINY] What are the main obstacles in Cuba's transition to democracy?

[Montaner] First of all, it is Castro's obstinacy. He created a dictatorship and is now attempting to change it into a Chinese-type regime, wherein the capitalist economy is controlled by the communists. For a number of reasons, however, what works in China has no chance of success in Cuba.

[LIDOVE NOVINY] Do you really believe that the fundamental changes that await Cuba can be implemented by peaceful means?

[Montaner] Before 1989, we believed that a peaceful transition was impossible. The changes in Central Europe, which transpired without bloodshed, gave us hope that the Cuban transformation could take a similar course. The only possible way is a dialogue with the opposition. If it was possible in your country, Poland, and Hungary, why not in Cuba?

[LIDOVE NOVINY] If a violent coup took place after all, would the United States intervene?

[Montaner] I am convinced it would. If a civil war took place, the United States would be interested in an intervention. It certainly would result in an international conflict.

[LIDOVE NOVINY] What will be the priorities of the first Cuban postcommunist government and how much time is needed to reform the country?

[Montaner] The first democratic government should orientate itself toward the market and democracy. As far as the reforms are concerned, it will depend on political consensus. If the fundamental political agreements are

reached, within four to five years the new Cuban Government can overcome the worst difficulties. The situation in the country is so bad that whatever happens, it will be an improvement.

[LIDOVE NOVINY] How can one explain that Castro remains in power despite the current catastrophic situation?

[Montaner] In Cuba, we are talking about a combination of the communist regime and a standard Latin American Caudillism, a dictatorship. The Latin American dictatorships usually endure for a long time, just look at Paraguay, for instance.

[LIDOVE NOVINY] A year ago, you said in an interview that a change will take place in Cuba within a year. The truth is different. So, when will the change take place?

[Montaner] At this time, I cannot say. It is difficult for a politician to predict. Perhaps, we could consult an astrologist.

The estimates differ, it could take three or four years.

Self-Sufficiency Progress Marks Minfar Council

FL2203003494 Havana Cuba Vision Network in Spanish 2320 GMT 21 Mar 94

[Text] Army General Raul Castro Ruz, second secretary of the Communist Party of Cuba and Revolutionary Armed Forces minister, presided over the Minfar's [Ministry of the Revolutionary Armed Forces] expanded military council, at which a final assessment was made of all the activities carried out during 1993 by the three armies and of all the weapons that defend the national territory. This account led to the conclusion that a gigantic and fruitful effort had been made, which shows that the capabilities and combat readiness of our Armed Forces have been strengthened.

Another important point analyzed was the FAR's [Revolutionary Armed Forces] agricultural-livestock activity toward the goal of supplying all the troops with food; a 30-percent increase toward achieving this objective is expected this year.

During the Minfar's expanded military council, on the occasion of his 50th anniversary as a combat pilot, Enrique Carrera [last name as heard], hero of the Republic of Cuba, was promoted to the rank of division general.

Report Reveals Reasons for Prostitution

94CA0081A Havana JUVENTUD REBELDE in Spanish 23 Jan 94 pp 6-7

[Article by Rosa Miriam Elizalde and Amado del Pino]

[Excerpts] Working from their rank and file organizations, the party and UJC [Union of Young Communists] are waging a hard fight against the corruption and demoralization that are starting to flourish in the current situation. JUVENTUD REBELDE presents today's debate on prostitution and hustling.

The packed bus stop is right across from the house, but that is not where she will go for her night out. Somewhere else her "friends" await—leaving other homes, crossing other thresholds, leaving behind other families—to pair up or proceed separately to a foreseeable destination, beginning the game that takes them away from commitments, the daily routine, clean, everyday love.

She adopts a theatrical pose and signals to a taxi for tourists. She is lucky: A hand opens the back door and someone makes room. The first glance seems to put her in her place as if she were one more object among the cheap goods, as if one could guess the vignettes that every element of her attire could tell. The blouse, for example, would tell of the double she drank in a hotel bar; her shoes the screech of tires skidding to a halt; the other items words not understood and loveless nights that have gradually filled the clothes rack in her room.

Parallel Histories

A number of myths are collapsing. Evidence of prostitution does not mean that the anecdotes, the motives, the interests of this notoriously unstable group that frequents a number of the capital's streets and tourist zones fit together into one whole.

After weeks of research and many interviews with persons involved or connected with it, we discovered that the topic is far broader and more complex than appearances might suggest. Not all the prostitution afflicting us fits the most common definition of the term precisely, nor can it be categorized under the picturesque label of "hustling" *jineterismo*, a word in widespread use in Cuba that apparently comes from Mexican popular speech and describes the activities of those who make a profit in an improper or exploitive way.

Nor is it organically linked to the form of tourism most commonly seen here, the type that arrives on "package" tours with a schedule organized ahead of time. Although it can also be seen in this connection, it tends to proliferate in highly singular, specific sectors, with a preference for temporary residents in Cuba. Estela, one of those interviewed, explained why:

(She is 18 but looks older under her makeup. She is dark-skinned and has a slinky, provocative walk. In the dazzling noonday sun, she wears a brightly colored, very low-cut dress.) "You don't go out with just anyone who comes along. For example, a man who stops on 5th Avenue is nearly always someone who has been in Cuba for some time, who comes and goes freely, who sometimes even has business here. The ones who come on excursions are generally penniless, and since they have a set program, they do not have time and are not interested in looking for a woman to spend time with."

Neither Estela nor the others become prostitutes to meet pressing economic needs. The study done by the JUVENTUD REBELDE research team reveals that these persons sell their bodies to buy whatever strikes their eye, luxuries, things like trips, clothes, cosmetics, shoes. They sometimes do so with the complicity of workers at the tourist complexes they frequent.

It would be erroneous to view the phenomenon in political terms. Only two women openly expressed a desire to leave the country. The rest of those interviewed merely want to have a good time and buy things they cannot find on the market. They want to satisfy a consumer need awakened by the movies, distorted education, a pattern of happiness that makes material things a cult. Prostitution here borders on the ethical. It is the demoralization of a minority on the threshold of or within the confines of crime and that tries to monopolize relations with foreign visitors.

One also observes a certain somewhat caricaturish reproduction of the structure of classic prostitution. However, most of the persons interviewed are not connected with pimps, or with the somewhat ghostly "houses." Estela is the exception among the women who spoke to the newspaper:

"I began about a year ago. In the eleventh grade, I fell in love and dropped out of school. Then I got bored with the relationship and started going to bed with anyone that appealed to me. I met Julian, who told me about the business with foreigners and who initially made my 'dates' for me. However, they caught him selling clothes from the 'shopping center' and threw him in jail. Now I am 'helping' him!"

JUVENTUD REBELDE interviewed several dozen persons picked at random from among those "in the business." Their ages range from 18 to 25. We interviewed 33 of them at length. They have all completed at least 11 years of schooling and many have an "intermediate" technical education. One girl has a degree in accounting and finance.

While they have highly diverse backgrounds and experience, the group shares a lack of vision of the future. Very few give much thought to the risks involved or are troubled by the prospect of what they do. [passage omitted]

No Set Price

The rate changes and varies. JUVENTUD REBELDE learned that one young woman said she set a price for her "work," while another, a procuress, demands at least $30 from her "girls" or the equivalent in kind (clothing, jewelry, shoes, and so on, whose prices at stores for tourists she knows well!). However, in general, there is no set price, nor is one thought out in advance.

The middleman—a specimen also existing in this milieu—usually hikes up the price of the "goods" when dealing with a foreigner. All the women interviewed said the same thing, although they also said they are not taken advantage of. [passage omitted]

The belief that this type of prostitution is very cheap is rather deceptive. Having sexual relations in exchange for a cute child, for example, would amount to economic suicide in Spain or France or exoticism in extremely poor taste. The high cost of living even inflates the price of love for money.

However, in Cuba, with an economy that gives priority to the basic needs of the population, shortages on the market and crime that imposes exorbitant prices on the black market substantially raise the real worth of the "presents" on which our specific type of prostitution is based. Someone acquiring a pair of shoes and a blouse might be earning in a matter of hours the equivalent in money of several months of professional wages!

In addition, one is struck by the fact that JUVENTUD REBELDE's informants come from families whose economic level is far above the national average published by the State Statistics Committee.

The results also suggest that the practice of prostitution in the capital does not coincide with other very isolated and primitive forms of selling sex included in other studies. The women we interviewed do not come from homes characterized by a criminal or antisocial atmosphere. They do not even come from homes with crammed or precarious living conditions.

The lack of any systematic elements is the very reason why this group is so unstable. The frequency of relations varies quite a bit, to the point where it becomes difficult to find anyone engaging in them on a daily basis. Our research showed that those engaging in the "hunt" for foreigners do so three or four times a week, basically from Friday to Sunday. The rest do so two or three times a month.

Over 60 percent of them work or go to school and not a single one is forced to engage in prostitution in order to eat every day or have a roof over her head every night. Nevertheless, one observes a trend of going from the purely "vocational" practice of prostitution to making it a way of life. [passage omitted]

What about their families? Their social environment? With what concealed complicity does this environment spread?

The family was present in nearly all interviews, explicit in some and by omission in others. For most, the home is not removed from or totally oblivious to the going out, type of company, and gifts that many of these young women do not hide. Only three of the women interviewed said they engaged in prostitution unknown to the family and only two were seriously worried about being discovered. All exhibited marked evidence of having grown up with deficiencies in their upbringing resulting in being dazzled by material things and a search for easy economic benefits.

Law of the Body

The hardening and alienation typical of these young people as they increasingly engage in such relations is alarming. They all separate sexual activity from any sentiment even remotely connected with love. Bitterness and even cruelty mark arguments over the issue and some, who also confess their experiences with no reserve whatsoever, speak of prostitution as "a profession like any other." [passage omitted]

What is sad is that no longer can she tell who is a friend and who simply wants to use her. She is not happy and stopped being happy long ago. Anyone who takes up this type of life becomes hollow inside and loses the ability to love, believing that love has to be repressed because it is an ugly, inhuman world. The enchantment of life turns into distrust.

[Box, p 7]

Sowing Shame

Confronted with certain views, many would say we have no other choice but to resign ourselves once and for all to the "girls" who go around holding up aging tourists, as our colleague Soledad Cruz learned while writing this piece. One even hears with some frequency the tolerant apology, the conformist indulgence toward those who throng to our hotels and thoroughfares, trading sex for dollars.

There are even those who take the ostrich attitude, suggesting that prostitution be assigned a street in Havana that is less popular than Fifth Avenue, a practice followed in most of the world's cities. It is a hypocritical theory, a kind of duplicity that would lump us together painfully with those who practice it.

Fortunately for us, we continue to use the exact same definition of "prostitution" given by the dictionary. It is what it is: debasement, vile use made of a thing, rather than a sign of modernity and free sexual expression by which some would try to justify it. These are the very people who forget that we were once the victims of it, that Cuba was the great prostitute of the Caribbean and, whether they want to admit it or not, following the Revolution, that there was not a single district where it was tolerated or a single woman who had to sell herself in order to eat.

That is still the case. Our prostitution is notoriously one of a kind. This is probably the only place on earth where it is practiced for the sole purpose of enjoying luxuries. The romantic world of La Dame aux Camelias or those poor creatures who in so much good and bad literature alike debased love just to survive is totally foreign to those practicing the so-called "oldest profession in the world" in this country.

This is borne out by the research done by JUVENTUD REBELDE over a period of months, by interviews with dozens of persons who frequent the milieu and who admit selling themselves to anyone willing to pay and without feeling anything remotely connected with love.

Although the motives of those engaging in prostitution are not all the same—there is evidence of family abandonment, the practices of teenagers seeking the recognition of peer groups—there is a general moral and human deterioration among these persons who, in addition to viewing life with deep cynicism, feel no inherent need for virtue, dignity, or decorum.

They are afflicted with an absence of values and even though the malady is grave—even incurable in many practitioners—it is not something that we have to resign ourselves to tolerating permanently. Nor does the fact that it now exists in proportions difficult to measure, threatening in certain sectors to monopolize relations with foreigners, mean that we must tolerate it, much less give our blessings to it. We even believe it is possible to cure it, to stop its spread in time.

Moving toward austerity, goodness, honesty, and decency, viewed as discretion and nobility of customs, is not enough if the family and our surroundings, our centers of work and study, do not harshly penalize such forms of conduct.

Without turning into policemen of sexual mores, without turning to castrating morality, it is time to say what we think, time to call such attitudes by their real name and—in an attempt to to duck the issue—stop hiding behind the country's situation or the equally hypocritical phrase that "everyone is free to do with his/her body what he/she wishes," as if both things pardoned the vanity, selfishness, ambition, and criminal result of such an attitude.

It is a fact that the economic depression catalyzed the phenomenon, but the "bad seed" already existed. Its origins lie in the home which worships trash and needs great ostentation to conceal the internal vacuum. How else is one to interpret the fact that all the persons interviewed by JUVENTUD REBELDE have decent homes, their families have a living income, some even work and earn a good wage and yet, it is not enough!

In the face of all this, we still have to defend staunchly one's enjoyment of the human body, the freedom to love, a freedom that neither needs nor demands payment, one that thrives without betrayal of the soul. In a country that freed itself from it, why take on that shameful spectacle of Fifth Avenue and other streets of Havana crowded with this new breed of prostitutes?

It is not irrelevant to recall the tradition of the tribe of Amazon women that once baffled a famous novelist: Living without identity was the sanction imposed on the women who traded their favors for crystal beads and fake feathers. They could not paint themselves with the solar signs or colored stripes that were the secular guarantee of dignity and beauty. Without a face to show, without any personal traits with which to worship the gods, they were no one. They had only their shame.

Caribbean Affairs

Pourier To Present New Antillean Government 22 Mar

BR2103154794 Amsterdam DE VOLKSKRANT in Dutch 21 Mar 94 p 4

[Article by Stella van Rijn: "Parties Agree on Antillean Cabinet; Coalition Holds 16 Out of 22 Seats"]

[Text] WILLEMSTAD—The new Antillean cabinet is virtually ready. The political agreement between the parties which will form the new government in the Netherlands Antilles, will be signed in Willemstad next Tuesday.

Negotiator Pourier is conducting the final discussions about the division of powers and about the candidates for the cabinet positions, but he does not expect any problems which might jeopardize the political agreement.

The new government will be made up of the Antillean Restructuring Party (PAR) [Partido Antia Restruktura] and the New Antilles Movement (MAN) from Curacao, the Democratic Party (DP-B) from Bonaire, the Sint Maarten Patriotic Alliance (SPA), the Democratic Party (DP-StE) from Saint Eustatius, and the Windward Islands People's Movement (WIPM) from Saba.

The coalition relies on a comfortable majority of 16 out of the 22 seats in Parliament, called the "States." Former Prime Minister Maria Liberia-Peters' National People's Party (PNP) is going into opposition in Parliament.

The government program deals with the reorganization and its consequences for the central administration's restructuring. Pourier aims at organizing a referendum on the islands' political future next September on all islands at the same time, as was already the case on Curacao last November.

In addition, the Pourier cabinet will also pay much attention to improving education, reducing public health expenditure, reorganizing the civil service, as well as drug and crime prevention.

Relations with the Netherlands will also be reviewed by the new cabinet. The Netherlands' involvement will have to change, Pourier says. The Netherlands will have to play a more complementary role.

The Antillean Government has a responsibility of its own. Only in fields where it cannot assume this responsibility on its own authority, will Pourier call upon the Netherlands for assistance. He wants, for instance, that Sint Maarten be placed under the high supervision of the Antillean Government, rather than of the Netherlands Government in the Hague.

As soon as possible after the cabinet's inauguration, presumably on 31 March, the new prime minister wants to consult with the Netherlands in order to reach an agreement on the financial relationship, on relations between both governments and between the various islands and the Netherlands, on youth problems and on development aid.

Haiti

Benoit Discusses Dissension Within FNCD

FL2103214494 Port-au-Prince Signal FM Radio in Creole 1230 GMT 21 Mar 94

[Excerpts] National Congress of Democratic Movements [Conacom] leader Victor Benoit says the small problem of dissension existing within the National Front for Change and Democracy [FNCD] is between the president's allies and those who support him unconditionally. Benoit has presented himself as an ally of President Aristide, but has condemned the behavior of certain leaders whose main objective is to (?obtain) the post of prime minister.

Benoit says that what is going on within the FNCD is normal because the FNCD is a front that brings together many organizations with different political views:

[Begin recording] This is normal. It is good that discussions are going on within a political group. This shows that there is no one organization—I could say—to have attached its tentacles...[rephrases] that is setting the tone and making everybody go along with it. It is normal for people to hold differing views in a situation of crisis involving several levels of understanding. [passage omitted] [end recording]

We remind listeners that Conacom supports the new plan set up by parliamentarians in Washington, pointing out that this plan is inspired by the Governors Island agreement, the New York pact, and the Miami conference. In the opinion of Victor Benoit, it is therefore a good plan.

Port-au-Prince Mayor Analyzes Plan's Chances of Success

FL2103221494 Port-au-Prince Signal FM Radio in Creole 1230 GMT 21 Mar 94

[Text] Evans Paul, a member of the National Front for Change and Democracy [FNCD] and one of its spokesmen, thinks the parliamentarians' plan is realistic but that even if the plan is approved by the Haitian Senate, to implement it will be extremely difficult because President Aristide is hostile to it.

[Begin Paul recording] I still support the FNCD proposal. I think it is a realistic one. It is realistic because when we asked for the amnesty law to be passed, we felt there would be many advantages to passing it: First, it would set the stage for General Cedras' early retirment, in compliance with the promise he made in the Governors Island agreement.

Second, it would meet conditions that would enable President Aristide to appoint a prime minister once Gen. Cedras had gone into early retirement as promised.

My concern regarding the plan is what would happen afterwards, even if the Senate managed to pass this same plan via a resolution—because I had a conversation recently with President Aristide, who told me that he is maintaining his position, and that he will not budge an inch as long as those who staged the coup d'etat.-..[rephrases] Gen. Cedras does not step down as head of the Army in compliance with the promise he made on Governors Island. [end recording]

That was a statement by Evans Paul, mayor of Port-au-Prince and FNCD spokesman.

Union Representatives Meet With Aristide

FL2103211694 Port-au-Prince Signal FM Radio in Creole 1230 GMT 21 Mar 94

[Excerpts] Within the scope of world efforts to resolve the Haitian crisis, union representatives are meeting with President Jean-Bertrand Aristide. A delegation from the unions left Haiti last week. The members of the crisis committee of the Haitian union organization met with Aristide on 19 March to seek a solution to the critical situation in Haiti. A member of this delegation labeled their first meeting with Aristide as very promising. Representatives of six Haitian union organizations—including the General Independent Organization, Federation of Unionized Workers, Federation of Haitian Blue Collar Workers, and the two branches of the Autonomous Organization of Haitian Workers [CATH], including Mezyeux's CATH and Manuci Pierre's CATH—were present.

Jean-Claude Lebrun, secretary general of CTH, the Federation of Haitian Workers, said that during this meeting discussions turned on how to create the conditions necessary to the lifting of the embargo. [passage omitted]

A second meeting between the union committee and President Aristide is scheduled for 21 March. The delegation that is to meet with President Aristide is now in Miami.

Aristide Questions U.S. Support for Democracy in Haiti

FL2103233094 Port-au-Prince Radio Metropole in French 1700 GMT 21 Mar 94

[Text] Exiled President Jean-Bertrand Aristide wondered whether Americans hadn't participated in the coup d'etat that overthrew him. He also doubted the United States' will and desire to restore democracy in Haiti.

Jean-Bertrand Aristide, who was participating last week in the meeting of the Black Caucus, thinks the United States is supporting the authors of the coup d'etat. How can one claim the U.S. Embassy was not involved in the coup d'etat? asked the president-in-exile.

Aristide feels President Clinton still has a chance to prove, by restoring democracy to Haiti, that the United States was not, or is no longer, involved in the coup.

It should be recalled that Father Aristide made those statements in Miami where he was the guest of the Black Caucus at its meeting. At that forum, the president-in-exile severely criticized U.S. policy on Haitian refugees, calling it racist. Rothschild Francois has filed the following report:

[Begin recording] [Francois] Six months away from the third anniversary of his forced departure into exile, Jean-Bertrand Aristide seems to be beginning to lose patience and mostly to doubt Washington's will to favor his return to Port-au-Prince. Speaking over the weekend at the meeting of the Black Caucus in Miami, the Haitian president did not hesitate to criticize the Clinton administration's policies on Haiti.

Jean-Bertrand Aristide thinks the Americans are supporting the military who overthrew him in September 1991. Aristide said, further, that the Haitian people set great store by the democratic principle and would like for peace to spread throughout their country.

Without making direct reference to the international community, Aristide invites the Haitian people to mistrust those who, according to him, support criminals while claiming to want to defend democracy.

[Aristide, in Creole] People who claim that they are defending democracy and who, until now, have not done what they said they would do, are showing that they do not respect their word.

We ourselves have kept our word. We will continue doing everything possible for democracy to return home and certainly, it must end.

[Francois] During the meeting of the Black Caucus in Miami, President Aristide hailed the support received to date from the Black Caucus. The president also encouraged the initiative by the members of the Black Caucus, who intend to intervene with the Clinton administration so that it adopts a more aggressive policy against the Haitian military. In his intervention before the Black Caucus, the president also brought the discussion to bear on the matter of the boat people.

Aristide sharply denounced U.S. policy toward the Haitian refugees. It is a racist policy, says the president, who reminds everybody that Cubans are welcomed in the United States while Haitians are turned back. Aristide tries to compare this situation to a house on fire: Some of the people inside the house are trying to escape, while the police are forcing them to return to the house, which is burning. That is the way the president described it.

The exiled president stated that a solution to the problem of the boat people necessarily entails his return

to the National Palace. Furthermore, Jean-Bertrand Aristide asked for a total embargo in order to force the military to accept his returning to Port-au-Prince—a request rejected by Washington.

The Clinton government clearly pointed out that just reinforcing the sanctions cannot contribute to solving the crisis.

Washington requests the president to appoint a prime minister and to support implementation of the parliamentarians' plan. To date, President Aristide has refused to go along.

After a year of collaboration deemed good, the health of the relations between President Aristide and the Clinton administration is today hit by an epidemic of disagreements.

Meanwhile, in situ, nothing has really changed since the legislators passed their resolution for a solution to the crisis: The Senate is still in crisis; the military are refraining from taking a stand regarding the legislators' plan; the national economy is plummeting.

Meanwhile, one thing is certain: The word hope has begun to disappear from Haitians' vocabulary. [end recording]

Government Should Balance Trade Practices With NAFTA Partners

PA1903014294 Mexico City EL FINANCIERO in Spanish 16 Mar 94 p 20

[Article by Lucia Domville and Jose Luis Gaona]

[Text] Private sector and academic sources have predicted that one of the last radical measures of the Salinas administration to perfect the trade opening and balance the deficit will be to draw up technical rulings on imports by the nine State Secretariats.

The process of enforcing standardization measures has been expedited since the implementation of NAFTA in an effort to regulate trade practices. The goal is to standardize the regulations of the signatory nations in just a few years, perhaps five.

The Commerce and Industrial Development Secretariat (Secofin) has published in the official gazette an agreement that identifies 413 tariff groups for the classification of merchandise subject to compliance with official Mexican rulings.

Nevertheless, terms for the regulation of imports are pending from the Secretariats of Agriculture, Communications, SEMIP [Energy, Mines, and Parastate Industry], Health, Sedesol [Secretariat for Social Development], Fishing, Labor, and Tourism.

Sources from the business sector, the National Agricultural Council, the UNAM [National Autonomous University of Mexico] Legal Investigation Institute [IIJ], Canacitra [National Association of the Processing Industry], and experts on the issue have said that Mexico needs to create a regulatory system like those used in the United States and Canada if it wants to compete under equal conditions.

The IIJ authorities explained that the Mexican negotiators did not understand until very late that pure free trade does not exist and that governments unilaterally close or open the way for imports to their country.

That is why the over 400 Secofin terms published in the official gazette and the announcement of several regulatory packages are viewed as measures to restrict the flow of imports to Mexico and thereby control the trade deficit.

When this six-year period was initiated, many Secofin officials were inexperienced in world trade and lacked knowledge about how developed nations use free trade in their favor. That is why they were determined to apply the free market doctrine blindly, thus adversely affecting many companies.

Now, during the last leg of the Salinas administration, Secofin negotiators have learned how to use international laws in Mexico's favor. For many sectors, however, these measures are coming a bit late, representatives of the Mexican private sector have said.

The first sign Secofin gave of reversing the trade opening initiated in 1986 was the application of compensatory taxes against Chinese products.

Nevertheless, in these past years, the Union of International Trade Practices has actively sought out import products that harm national production and dumping [previous word in English] practices and have worked to identify sectors that require protection for survival.

Secretariat officials have said that the standardization process, "always operative," has been accelerated in the past two months in an attempt to hold back massive importation.

The use of measures related to standardization takes up Chapter IX under Article 904 of NAFTA.

In the first part, the "right to apply regulations for the security of human, animal, or plant life and for the environmental health of the consumer, the same as any measure that assures its fulfillment or its application," was agreed upon.

The second part establishes that "each party can apply the levels of protection it considers appropriate to achieve legitimate goals for security or protection matters."

Nevertheless, the fourth part states that the application or creation of technical regulations or nontariff barriers cannot be used as obstacles to trade.

Legal experts say the negotiating terms are ambiguous because a ruling could be interpreted for one party as falling under the protection or security provided for in the first part of Article 904; while the other party could argue that such provisions are an obstacle to free trade and are therefore prohibited by the fourth part of the same article.

Nation To Become Net Sugar Exporter to U.S. Under NAFTA

PA2203024694 Mexico City UNOMASUNO in Spanish 18 Mar 94 p 19

[Article by Alberto Ramirez]

[Text] Ciudad Valles, San Luis Potosi, 17 Mar—Carlos Artolozaga Noriega, president of the National Chamber of the Sugar and Alcohol Industry, said the sector has again become self-sufficient in terms of production, adding that within the next two years under the framework of NAFTA Mexico will become a net sugar exporter to the U.S. market.

Miguel Ortiz Jonguitud, president of the National Union of Sugar Cane Farmers under the CNPR [expansion unknown], demanded the implementation of agricultural programs to "prevent the destruction of sugar cane fields and to avoid frustrating the achievements reached so far in this six-year period."

At the 15th National Congress of the aforementioned sugar cane union, Artolozaga Noriega also said the current capacity of the sector is around 5 million tons, even though the sugar cane industry has been a net exporter of surpluses.

We initiated a recapitalization process, and, after noticing our prices were out of date, we realized we had neglected the area of tariffs, Artolozaga Noriega said. He said efforts are currently under way to control the marketing of sugar by means of the Sugar Commodities Market or the Trusteeship to Organize the Sugar Market (Forma) to continue efforts "to preserve the sugar cane industry."

Despite all of this, Artolozaga Noriega pointed to the fact that "several sugar mills have shut down," saying they have closed "in the wake of the economic collapses specific to the regions in which they were located." He also noted that four sugar mills are about "to go bankrupt," but this does not mean they have to be shut down, because he still hopes they can be reactivated in the mid- or short-term.

He added that the sugar mills that have already been closed are La Purisima in Jalisco, Juchitan in Oaxaca, and Libertad in Veracruz. Those that are about to go bankrupt are Independiente in Veracruz, Santa Rosalia in Chiapas, and Hermenegildo Galeana y Pujil in Tabasco.

Meanwhile, Ortiz Jonguitud said that despite the lack of infrastructure to work the nation's sugar cane fields, Mexico ranks fifth in the world in sugar production.

"As a result of a lack of new investments in various types of support programs and Mexico's transition toward a market economy, the situation in the sugar industry still has not been been rectified, and this is why we have to try to resolve this situation as soon as possible," Ortiz Jonguitud said.

Azano Group Willing To Reach Agreement With AT&T

PA2203045494 Mexico City EL FINANCIERO in Spanish 18 Mar 94 p 12

[Report by Miguel Badillo]

[Text] Susumo Azano Moritani, president of the Azano Group headquartered in Jalisco, is willing to reach an agreement with AT&T "as long as the agreement is reasonable and fitting," despite 51 years of abuses committed by the U.S. phone company that has sent Jalisco businessmen to jail.

Salvador Perez Gomez and Susana Manterola, Azano Moritani's attorneys, handed over a letter to EL FINANCIERO in which their client outlines his position on reaching an agreement with the U.S. company. This letter indicates that AT&T owes the Azano Group $20 million for the building of a digital telephone production plant.

Meanwhile, attorneys commented that AT&T had used its influence to pressure the Mexican Government through Jaime Serra Puche, commerce and industrial development secretary, and Claudio Gonzalez, presidential adviser on foreign investments—both of whom "openly" supported the foreign company over and above the "fair and legal" interests of the Mexican business group.

In the document, the president of the Azano Group indicates: "We have always been willing to receive a reasonable payment offer, which AT&T representatives have promised us again and again in countless meetings held to resolve the amount to be paid. Up until now, however, no agreement has been reached on any amount."

Azano Moritani's lawyers indicated that AT&T is pressuring their client to accept each and every condition it has established. These conditions include a "confidentiality contract" AT&T representatives want the Jalisco businessman to sign without indicating the amount they are willing to pay for the debt which has been pending for more than three years.

Salvador Perez Gomez and Susana Manterola explained that the legal proceedings against AT&T are heading in an "excellent direction," and, therefore, the Azano Group is confident that very soon its suit against that U.S. telephone company will be resolved. AT&T will have to pay $20 million it still owes, otherwise the AT&T plant in Guadalajara will be placed under an indefinite seizure. In addition, AT&T officials would have to serve prison terms for fraud.

The attorneys also noted there is a resolution pending—No. 214/93—in the Third District's First Civil Court, where Susumo Azano Moritani has presented evidence against AT&T. This evidence includes the fact that AT&T presented an amparo plea in an irregular manner. This legal document was delivered to Judge Vidal Cuevas Barba's residence at a time when he had no jurisdiction in the case.

Meanwhile, the first judge of the civil court refused to execute the arbitration award given the countless procedural violations of a public order nature [violaciones procesales de orden publico], thereby ruling in favor of Avanti Construction Co. owned by the Azano Group.

In this ruling, the first judge of the civil court resolved to declare as "null and void everything filed before the ninth judge of the civil court in which AT&T presented the accusations. For this court, the recorded violations are sufficient to uphold the conclusions outlined in the previous paragraphs."

Given this, AT&T waived its amparo and asked the judge to return its documents that were grounds for the claim; this implies a dismissal of charges.

Regarding AT&T's statements that work at the plant had not been completed, claiming it had been abandoned by Avanti, the attorneys said the telephone plant began operations on 24 July 1991. As evidence of this fact, they presented a thank you letter from AT&T dated 22 August 1991.

Two days later, on 24 August of that same year, AT&T President Robert Allen declared in Guadalajara that the first telephone equipment manufactured at the plant was of very high quality on an international level, thereby contradicting the aforementioned claim that work at the plant had not been completed.

Tariffs Favor Imported Component Parts Over Exported Goods

PA2203024594 Mexico City EL FINANCIERO in Spanish 18 Mar 94 p 18

[Report by Lucia Domville]

[Text] The Secretariat of Commerce and Industrial Development (Secofi) has not decided how it will resolve tariff inconsistencies affecting nearly 20 production networks as a result of the tariff reduction program negotiated under NAFTA.

Representatives of the private sector have asked the Foreign Trade Commission (Cocex) to apply Rule 8 of Chapter 98 of the General Importation Tax Tariff (TIGI), which creates entire tariff brackets which eliminate tariff irregularities [desfasamientos arancelarios] on similar products.

According to foreign trade experts, mainly small- and medium-sized businessmen—specifically those who did not see tariffs reduced to zero on products they import within the framework of NAFTA—have filed complaints with the authorities.

Up until mid-February, at least 20 cases of tax irregularities had been filed with Cocex, which comprises officials from Secofi, the Finance Secretariat, and the Bank of Mexico.

Among those products facing open-market competition while encountering disadvantages in the cost of their component imports are: Padlocks, tools, movable iron pipes, agriculture transport or milk storage tanks, fish meal, sausages, refrigerators, leather belts, and others.

For example, in the NAFTA tariff brackets for machinery and equipment, the reduction rates rates are greater than those for similar products under the TIGI, which is used by third-party countries.

The inconsistencies for the aforementioned products translate into a tariff reduction rate that is slower than the one for imports from which these final products are made. Therefore, the raw materials for iron products face a 10-percent tariff, while the final product—say, a padlock—has been exempted from tariffs altogether since the day the trade agreement went into effect.

According to sources, some of the cases that have been brought before Cocex are not always similar to the above-mentioned cases—those involving compact disk or bag manufacturers, for example—because these industries never participated in the negotiations.

Meanwhile, some small- and medium-sized businessmen charge their intererts were not defended by the Coordinator for Foreign Trade Business Organizations (COECE) and were sacrificed to obtain concessions in favor of large Mexican businessmen.

To correct the situation, Cocex has suggested that Rule 8 of Chapter 98 of the TIGI be applied, eliminating all tariffs at the same time for each and every component of a production network.

Rule 8 is not a new option, because it has been discussed at the legislature for more than 10 years. Nevertheless, in general, no new brackets have been added using Rule 8 over the past five years.

Sources said Secofi officials have refused to resort to this provision, because it would only represent temporary solutions for some products. It is not a matter of creating a new tariff bracket under Chapter 98.

The bottom line is this: The cards have already been dealt, and NAFTA legislation prohibits "recanting" negotiated concessions; only negotiations to further reduce tariffs for products under the terms of Article 302.2 are expected to be held.

The seriousness of this situation, according to warnings from foreign trade experts, is that, if the final product pays less taxes that its component parts, there will be trade imbalances that favor imported goods. Additionally, they noted that if this matter is not settled promptly—already, more than 30 days have passed since the notification—domestic producers of goods facing competitive disadvantages with regard to foreign goods will tend to disappear or become product marketers. Foreign trade experts warn that the effects of this must not be underestimated, especially in advance of new tariff negotiations with the United States and Canada.

Agriculture-Livestock Trade Expected To Decline

PA2203034094 Mexico City EL FINANCIERO in Spanish 18 Mar 94 p 32

[Text] Assistant Agriculture Secretary Luis Tellez Kuezler has informed the Follow-Up Commission for the Stability, Competitiveness, and Employment Pact that worldwide agricultural trade is undergoing one of its most calamitous times in history, and he added that Mexico's agricultural trade is no exception.

Citing a study, he pointed out that in 1993 the volume of international agricultural-livestock trade fell, and this trend is expected to continue, constituting a shortfall for Mexico, despite the prospects for growth opened by GATT and NAFTA.

In addition to a drop in global demand prompted by the demise of the defunct Soviet Union, the major exporting countries are maintaining subsidy policies that cause serious distortions in the international market, pushing prices of most agricultural-livestock products to their lowest levels in history.

Once GATT's Uruguay Round agreements and various global agreements such as NAFTA are consolidated, the distortions in the market should give way to price increases.

The Mexican situation is not promising. Although 1993's agricultural-livestock trade deficit ($121.4 million) was lower than the one for 1992 ($761.4 million), the expanded [ampliada] agricultural-livestock trade balance presents one of the highest deficits in history, even higher than for the period of the lost decade [reference to Latin America's economic problems of the 1980's].

Although some exports are increasing, including legumes, fresh vegetables, cattle, tomato, fresh fruits, and coffee, the expanded agricultural-livestock trade balance has reached $2.3 billion.

Costa Rica

Minister Against Replacing Economic Program

PA1903220994 San Jose LA NACION in Spanish 13 Mar 94 pp 1, 4a

[Report by Nelson Murillo]

[Text] Puntarenas—Finance Minister Carlos Munoz said yesterday that the country will face difficulties in servicing the foreign debt and a reduction in available credit if the future administration decides to replace the PAE III [Economic Adjustment Program] with loans to specific sectors.

After saying it was inadvisable to continue "patching up the economy," the official asserted that opting for loans to specific sectors instead of the PAE III would entail at least 18 months of negotiations. Thus, the official stated, the loan option is "ineffective."

Munoz was one of the main speakers at a economics seminar attended by 30 journalists at the Hotel Fiesta in Puntarenas. The seminar ended yesterday.

At that event, Munoz said the country should continue on the path to economic modernization, commercial opening, and smaller government. The finance minister emphasized that the Jose Maria Figueres Olsen administration, which will take office on 8 May, could renegotiate PAE III with the World Bank. The minister pointed out, however, that the government would loose its ability to pay the foreign debt and, in this case, international creditors would probably withdraw our credit.

Central Bank President Jorge Corrales emphasized that the negotiation of separate loans to certain sectors as an alternative to the PAE III would lead to high payments by Costa Rica and—in his opinion—there are not enough resources for that.

President-elect Jose Maria Figueres said the debate on PAE III "had been overcome" when he met with President Rafael Angel Calderon Fournier.

The current government insists that this program, which will provide the country with $180 million, should be approved by the Legislative Assembly, while the future administration rejects the program because it believes that it was not negotiated "in a Costa Rican manner [a la tica]."

Minister Munoz asserted that the PAE III would integrate the Costa Rican economy into the new international commerce currents because it will increase productivity, reorganize the financial sector, promote savings, and guarantee more funds for social programs. He added that it would reduce poverty and unemployment and would allow the private sector to receive a flow of resources that would encourage production.

Commenting on the economic reforms by the Calderon Fournier administration, Munoz said: "This process cannot be a reversed. I don't believe the PLN [National Liberation Party] is thinking of canceling it because that would create serious problems for the country. The PAE III is necessary to maintain economic stability and foreign financing."

Figueres To Continue Economic Opening

PA1803182494 Panama City ACAN in Spanish 2157 GMT 16 Mar 94

[Text] San Jose, 16 Mar (ACAN-EFE)—President-elect Jose Maria Figueres said today he will continue his country's economic opening but in an "intelligent manner" to compete in terms of the quality and utilization of technologies and not a cheap labor force.

During a lunch with the Costa Rican Union of Private Enterprise Chambers and Associations (UCCAEP), the man who will be governing Costa Rica beginning 8 May warned in his administration he will seek a "true commercial opening."

"We have opened the economy, but we need greater vitality to compete more intelligently with greater courage, not with lower wages," Figures said, adding he will strengthen and improve the quality of social programs.

He promised businessmen, however, he will respect "macroeconomic balances" by lowering the fiscal and commercial deficits and will promote tax reform not to impose more taxes but to improve the collection of existing ones.

UCCAEP President Marco Vinicio Ruiz said "the key of success" for Costa Rican society depends fundamentally on achieving a successful and high quality incorporation into the world economy.

"This can only be attained if the country advances in congruence with improving competitiveness and Costa Ricans' quality of life," the business group leader said.

Police Investigate Pereira Drug Cartel Ties

PA2003174694 Hamburg DPA in Spanish 1504 GMT 20 Mar 94

[Text] San Jose, 20 Mar (DPA)—Costa Rican antinarcotics police are currently investigating possible connections of a drug trafficking group dismantled this past Friday in Alajuela, 30 km west of San Jose, with the Colombian Pereira drug cartel. Colombian citizens Luis Carlos Diez Diez and Moises Nader Vargas, as well as Costa Rican citizen Carlos Alvarado were arrested during the police operation. According to the authorities, the group had smuggled approximately 720 kg of cocaine to Europe through Costa Rica.

Public Security Minister Luis Fishman said 17 Costa Rican nationals currently detained in Spain, Netherlands, Germany, Belgium, France, and Italy on drug trafficking charges could belong to this group. During the past six years, the Colombian drug cartels have used Costa Rica to transfer cocaine to the United States and Europe. It is estimated that

between two and four tons of cocaine are being shipped monthly from Costa Rica despite government efforts to crack-down on drug trafficking.

Between 1992 and 1993, anti-narcotics agencies seized approximately 1,500 kg of cocaine. More than 100 foreigners, including several Colombians, are imprisoned in Costa Rican jails as result of their links to drug trafficking.

El Salvador

More Than 3,000 Observers Witness Elections

PA2203032594 San Salvador LA PRENSA GRAFICA in Spanish 21 Mar 94 p 11

[Text] "The elections of the century" are now part of history, and for the international community El Salvador has opted for the thorough development of its democratic progress.

This was confirmed by more than 3,000 international observers who were at the polling sites throughout the country. They were there since the Voting Table Boards were installed up until the time the vote count was carried out by the Supreme Electoral Tribunal in the Presidente Hotel.

From Perquin, Morazan, Venezuelan Enrique Ter Horst, who will be the new UN Observers for El Salvador (Onusal) chief, has told PRENSA GRAFICA "the patience with which the electoral process was carried out and the people's will and determination to vote made us realize a page has been turned in El Salvador's history, inaugurating a new, truly democratic and participative era."

Onusal participated with 900 representatives from 52 countries.

As did the rest of the delegates, the missions observed aspects such as voter registration, the supply of electoral equipment, the composition of the Voting Table Boards and any delays in their installation, and in ballot receipts.

Reports will be officially presented during the week.

The international observers were made up mostly of official missions, such as the U.S. Mission headed by Brian Atwood, the AID administrator who claimed to be "very satisfied at having thus reaffirmed U.S. support for the consolidation of the democratic process in El Salvador."

The importance of these elections brought to our country observers who do not belong to established organizations. Many are members of churches and student groups, as is the case of the Moecen (Mission of Electoral Observers of U.S. Citizens), which had 500 delegates. Four of the delegates were U.S. congressmen.

"Our commitment demonstrates support for the people's decision and wish to carry out an important role in securing peace," U.S. Democratic Congressman Dan Hamburg of California, said.

Attending personalities included Ignacio Lozano (1976-77) and Edwin Corr (1985-88), former U.S. ambassadors to EL Salvador.

"I can view the process positively. Now nobody can voice criticism there is any sector without a voice or without the right to participate in political activities in El Salvador," Corr stated. He witnessed the elections in Suchitoto, Cuscatlan.

The international observation of elections is relatively new and was born from an initiative of the international community, after certain governments or parties engaged in the armed conflict decided to move toward a democratic development.

Onusal Chief Praises Elections

PA2203040794 San Salvador EL DIARIO DE HOY in Spanish 21 Mar 94 p 17

[Text] Dr. Augusto Ramirez Ocampo, chief of the UN Mission for El Salvador (Onusal), said that "El Salvador should feel proud about its elections." The Onusal chief and his large team of observers toured the entire country on 19 and 20 March. Ramirez added that they had access to the latest information on what was transpiring "and, therefore, this was an extraordinarily normal election."

Ramirez described as "a Solomonic measure" the Supreme Electoral Tribunal [TSE] decision to install polling stations in Arcatao, San Jose las Flores, Nueva Trinidad, and San Isidro Labrador, because these four municipalities of Chalatenenango are considered to be refugees for former FMLN [Farabundo Marti National Liberation Front] combatants.

The voting started in those places at 1015 because ballot boxes were not transported until yesterday via Air Force helicopters after the TSE had a change of mind. The original plan was to install all ballot boxes in the city of Chalatenango, where 85 percent of the inhabitants of those four municipalities live.

Ramirez praised Salvadorans who stood in line without making any fuss to comply with their duties as citizens. He regretted delays in the voting process that prevented many people from voting. [as published]

The chief observer, of Colombian origin, recalled the commitment made by presidential candidates and secretaries general to President Cristiani to close polling stations at 1700 only after every citizen still waiting to vote had cast his or her vote.

Ramirez said that Onusal will take note of all "anomalies, claims, and requests but will only report worthy ones. The atmosphere that has surrounded the peace process is yielding and will yield results," the chief of the observers added.

Among the small problems he noticed at certain voting sites were the delays in opening. In some cases, such as the Central American Pavillion of the International Fair Grounds, Ramirez intervened directly to expedite its opening. "In general, this was an extraordinarily normal election," the Colombian added.

Failure to Achieve Majority Vote Confirmed

PA2103175094 San Salvador Radio Cadena YSKL in Spanish 1701 GMT 21 Mar 94

[Text] Salvadorans woke up today without knowing the final results of Sunday's general elections and with the expectation of a runoff election to choose the new president. More than 63 percent of the votes have been tallied and the Supreme Electoral Tribunal [TSE] reported that the ruling Nationalist Republican Alliance, ARENA, with a right-wing tendency, and its candidate, Armando Calderon Sol, have failed to achieve an absolute majority, although they lead the count with 49.6 percent.

Calderon Sol's closest rival, Ruben Zamora, leader of the leftist coalition that includes the former Farabundo Marti National Liberation Front guerrilla groups, obtained 26.6 percent. The Christian Democratic Party continues in third place. Its candidate, Fidel Chavez Mena, has received 15 percent of the votes. He is followed by the conservative National Conciliation Party, which chose Roberto Escobar Garcia as its candidate and which received only 4.5 percent of the votes.

The other parties that participated in the elections—Authentic Christian Movement, a center-right party, and the evangelical parties, the Unity Movement and the National Solidarity Movement—have smaller percentages.

TSE preliminary results indicate more than 49.92 percent of Salvadorans abstained from demonstrating their sympathy for a given political party. These results are similar to the polls conducted by various organizations at the national level. The results indicate an average of 40 percent of the population did not express their preference. The figures, however, might change as the tally of votes from Sunday's general elections continues.

Calderon Sol, Zamora Comment

PA2103183594 San Salvador Radio Cadena YSKL in Spanish 1706 GMT 21 Mar 94

[Report by Marcos Antonio Aleman]

[Text] Supreme Electoral Tribunal [TSE] preliminary results support statements made by the ruling party's candidate, who said he would win the elections the first time around, but the opposition candidate insists there is no absolute winner and added there will be need for a runoff elections. Preliminary figures gave the advantage to the ruling Nationalist Republican Alliance, ARENA, and in a news conference, ARENA candidate Armando Calderon Sol said preliminary results clearly indicate a tendency favoring his party.

[Begin Calderon recording] In compliance with the agreement I signed, I cannot declare myself the winner, the victor at this time of the night. I respect the pledge I took. [end recording]

Calderon Sol cautiously said TSE figures have given him the victory in the first round.

[Begin Calderon recording] TSE figures, the vote tally, have accorded me the victory the first time around, but I cannot say that because I would be violating my pledge and doing what I have criticized Mr. [Ruben] Zamora for doing. He has said there will be runoff elections, and that is not so. [end recording]

Meanwhile, Ruben Zamora, presidential candidate for the leftist coalition supported by the former Farabundo Marti National Liberation Front [FMLN], said projections show the need for runoff elections. Zamora said the fact it will be necessary to hold runoff elections represents a defeat for the ruling party, ARENA. He also announced the beginning of a battle for electoral purity.

[Begin Zamora recording] We are hereby beginning the battle for electoral purity in the runoff elections to make sure all the Salvadorans can vote in the runoff elections so we do not have to face what happened today. Because of TSE's critical deficiencies, thousands of Salvadorans were excluded from exercising their right to vote; thousands of them could not exercise that right because they were not included on the list; because they had a voter registration card but did not appear in the lists; or because their numbers were changed in the lists. Therefore, when they arrived to vote another person had exercised their right to vote. [end recording]

If Zamora's charges are confirmed, the runoff elections should be held in April. Approximately 2.3 million Salvadorans registered to vote but the FMLN insisted there were serious irregularities in the process, for example, people who registered and failed to receive their voter registration card.

TSE Magistrate Says There Will Be Runoff in Apr

PA2103222394 San Salvador Radio Cadena YSU in Spanish 2035 GMT 21 Mar 94

[Text] There will definitely be a runoff election, a high-ranking magistrate of the Supreme Electoral Tribunal [TSE], who requested anonymity, confirmed to YSU. [Words indistinct] handed to YSU, ARENA [Nationalist Republican Alliance] only garnered 49.8 percent of the vote. Thus, there will be a runoff election. This is virtually official [words indistinct] TSE magistrates. ARENA announced a news conference to be held in a few moments.

We want to underscore that this runoff election will reportedly be held in late April, probably the last Sunday of April, on 24 April. The magistrate also told YSU that the official vote count will start tomorrow, and a runoff

election for late April will not be called until an official announcement of the results is made.

We repeat, there will be a runoff election. [Words indistinct] a TSE magistrate confirmed to YSU. The vote count as of 1359 [1959 GMT] performed by the company the TSE hired showed the following results: ARENA, 494,255 votes or 49.26 percent; Democratic Convergence-Farabundo Marti National Liberation Front-National Revolutionary Movement [CD-FMLN-MNR] Coalition, 256,746 votes or 25.59 percent; Authentic Christian Movement, 8,200 votes or 0.81 percent. Everything indicates this party will definitely disappear. Unity Movement, 23,759 votes or 2.36 percent; National Solidarity Movement, 9,905 votes or 0.98 percent—this party will probably survive—National Conciliation Party, PCN, 50,572 votes or 5.04 percent; and the Christian Democratic Party, 159,790 votes or 15.92 percent as of 1400 [2000 GMT]. So far, 73.06 percent of the votes have been counted. There was an absentee rate of 47.18 percent. So far 5,103 voting table boards have been counted, and 1,684 are still pending. Everything seems to indicate there will be a runoff election, as a TSE magistrate told YSU.

The last runoff election took place in 1984 when the late President Jose Napoleon Duarte disputed the Presidency with the late Major Roberto D'Aubuisson. On that occasion the first election was held in March and the runoff election in May 1984. It is happening again, but ARENA is not in the opposition. It is the ruling party, and will face the CD-FMLN-MNR Coalition. Preparations will start tomorrow and the TSE [words indistinct] throughout Easter, the magistrate who requested anonymity told YSU.

Calderon Comments on Possible Runoff

PA2203033794 San Salvador Radio Cadena YSKL in Spanish 0228 GMT 22 Mar 94

[Report by Elder Gomez on interview with Armando Calderon Sol, presidential candidate for the Nationalist Republican Alliance, from El Presidente Hotel in San Salvador on 21 March—recorded]

[Text] [Gomez] A few minutes ago Armando Calderon Sol, candidate for the Nationalist Republican Alliance, ARENA, held a news conference in which he did not rule out the possibility of participating in a runoff election. Calderon Sol did not dismiss the possibility either of negotiating with the opposition regarding the suspension of the runoff elections, which would be held on 24 April.

[Begin recording] [Calderon] We have seen this done in other countries. It is no secret. We hope that the opposition will have second thoughts about this. We think a situation of this sort would be more beneficial for the country. There would be less polarization. We could say this would allow us to overcome electoral problems. As I told you we are proud to have three hundred and some thousand more—almost (?350,000) more votes—than our closest contender.

[Gomez] What do you think could have influenced the fact that your party was not elected in the primary elections.

[Calderon] On the contrary. I think it was a victory for the party. The election results give us a marvelous victory. ARENA's triumph is total and absolute. I think we have been favored by the majority vote and by the vote of the Salvadoran people. I would say that it has been a premium vote by the people who trust in their leaders, a premium vote for a good government which fulfilled a good government program with a good electoral campaign. Proof of this is that we are transforming El Salvador and we have begun modernizing El Salvador. Proof of this is the fact that those who had never participated are participating. We are building a new El Salvador. [end recording]

[Gomez] The Supreme Electoral Tribunal announced this afternoon the possibility of holding runoff elections 24 April, because none of the nine political parties that participated in the 20 March elections obtained 50 percent plus one of the votes cast on Sunday. Calderon Sol said that if a runoff election is scheduled, ARENA will speak with all the political and social forces of the country which have always accompanied him. He complained about the problems in the voting process and attributed them to the bureaucracy imposed on the voters by the TSE.

Holds News Conference

PA2203051194 San Salvador Radio Cadena YSKL in Spanish 0307 GMT 22 Mar 94

[Text] Armando Calderon Sol, presidential candidate of the ruling Nationalist Republican Alliance [ARENA], hoped the left will reflect in the face of his undisputed victory and decline to participate in a runoff election to prevent further polarization in the country. In many countries—and this is no secret—other forces decline to concede to the majority party, Calderon Sol stated during a news conference this evening at a Salvadoran hotel. The ARENA candidate insisted, however, he is still awaiting the official results of the Supreme Electoral Tribunal [TSE] on Sunday's general elections, in which he claimed he received 300,000 votes more than his opponent, Ruben Zamora of the leftist coalition. Calderon Sol also affirmed ARENA has won over 200 municipalities out of the country's 262 and the majority in the 84-seat assembly. The former San Salvador mayor said the Farabundo Marti National Liberation Front and its allies, the Democratic Convergence and the National Revolutionary Movement, have an electoral ceiling of 25 percent. After describing the coalition as a leftist potpourri of all tastes and flavors, he acknowledged it represents a segment of society; in this respect, he said, this coalition will play a role, have the right to participate, and can be a democratic opposition. We hope it can.

He described as a crass plot the reports by certain sectors of his alleged ties with death squads, which he vowed to fight when he consolidates himself as the winner of the

elections and takes office. He added he will support the inquiries on the groups the Joint Group has been conducting since last May and that he will request the cooperation of the Spanish police, the Federal Bureau of Investigation, and Scotland Yard.

Commenting on the elections, he termed it a wonderful civic holiday, adding if there is a runoff election, the TSE must resolve the irregularities that took place in the electoral registry and the organization of the elections. If we have a runoff, we have to demand the TSE better organize the elections, as the TSE must assess the problems that arose and ensure a large voter turnout.

According to the UN Observers for El Salvador, Onusal, close to 25,000 Salvadorans were unable to vote, because their names did not appear on the electoral lists. It also reported there were other minor incidents.

Electoral Tribunal Chief: Election Runoff Likely

PA2203050294 San Salvador Radio Cadena YSKL in Spanish 0400 GMT 22 Mar 94

[Report by Carlos Ramos]

[Text] Supreme Electoral Tribunal President Luis Arturo Zaldivar has noted that the initial results of Sunday's elections indicate a runoff election for president and vice president likely will be held within a month:

[Begin Zaldivar recording] There is an undeniable trend and everything seems to indicate there will be a presidential runoff election. The other elections will stand because it is [word indistinct] constitutional. At this time, current trends lead us to think there will be a runoff. I insist (?we do) what the law states—namely, hold a runoff election. [end recording]

Zaldivar admitted that there were shortcomings in the balloting process, but he added that these will be corrected in the future to guarantee and improve similar electoral events:

[Begin Zaldivar recording] For example, the voting did not start at the time mandated by law. Many polling stations opened after 0700. This happened because this was the first time in the nation's history that the entire political spectrum was involved in one general election. Everyone wanted to serve as either president or secretary of the voting table boards. Delays were prompted by discussions along these lines among people who, according to the law, represented the various political parties. In some places, voting started after the scheduled time; nevertheless, everything settled down later, and I think everyone who wanted to vote did vote. [end recording]

Dr. Zaldivar pointed out that if there is indeed a runoff, steps will be taken to avert the same logistical problems encountered in Sunday's elections.

Masked Men Seize Finance Ministry; Hold Workers Hostage

PA1803232994 San Salvador EL DIARIO DE HOY in Spanish 17 Mar 94 pp 2, 61

[Text] Masked men who were accompanying National University Dean Fabio Castillo Figueroa seized Finance Ministry offices in Tres Torres and held employees hostage for several hours. The group of masked men, brandishing sticks and stones, positioned themselves at the Ministry gates and prevented people who were paying their taxes and making other transactions in the morning of 16 March from exiting.

Castillo Figueroa and a group of bullies entered the facilities in search of Finance Minister Edwin Sagrera to demand an increase in the the National University allotment, but Sagrera was not in his office at the time. The criminals said that they would stay in the area holding employees and private citizens hostage until the minister returned to discuss the problem. Many women feared that something serious was going to happen and fled through a small fence, leaving their purses and other possessions on the premises.

National Police riot officers moved to the site in order to protect public property. The police presence prompted the masked men to draw the weapons they had been hiding and begin provoking the officers, who were staying several meters away.

Several vehicles belonging to UN Observers for El Salvador members were parked at the main entrance as though to protect the masked men, who refused to let the employees and private citizens leave.

Castillo Figueroa told the officers: "There will not be any problems, we have control over the youths." Moments later the riot police left the site, and the masked men remained inside the building.

Nicaragua

3-80 Northern Front Demobilization To Resume

PA2103142894 Managua Radio Nicaragua Network in Spanish 1200 GMT 21 Mar 94

[From the "This Morning" newscast]

[Text] Friday after five hours of negotiations between the leader of the 3-80 Northern Front and the Government Ministry, it was agreed that as of today the demobilization process would resume. This process should conclude by 25 March. The final disarmament will take place on 8 April taking into account, as Government Minister Alfredo Mendieta and rebel leader Jose Angel Talavera have reported, the gradual demobilization because some details, like acquiring land and implementing emergency employment programs for Talavera's demobilized men, have yet to be worked out.

Government Minister Mendieta reported that a member of the Northern Front will join the Interinstitutional Commission supervising the rebels disarmament in the country's north.

Attorney on H. Ortega's 'House Arrest'

PA2203004794 Managua Radio Corporacion in Spanish 2300 GMT 21 Mar 94

[Interview with Dr. Daniel Oliva, attorney for the family of Jean Paul Genie, by unidentified reporter; from the "Five O'Clock Sharp" newscast]

[Text] [Reporter] Dr. Oliva what is the status of the Genie case after General Humberto Ortega appeared before the military [word indistinct]? Go ahead, Doctor.

[Oliva] Gen. Humberto Ortega arrived in the Judge Advocate's office today to testify [declaracion indagatoria], that is, he was considered to be a suspect [reo]. We expected Gen. Ortega to deny the charges or try to refute them with some kind of evidence. We never expected him to use this kind of sophistry. He claimed that he could not remember events or dates and that he knew nothing about other events because he had only learned that a young man named Jean Paul Genie had died during an attack by armed men at 2047 on 28 October. Gen. Ortega claimed that at 0800 on 29 October he had already organized a commission comprised of high-ranking Army officers to conduct an investigation.

This commission was only created because someone had already said that the general's motorcade was the only one involved in the case. This commission did not allow any authority—civilian or military, that is, the police—to enter Complex 003 to conduct investigations. This commission acted as a retaining wall to prevent any data at Complex 003 from appearing on a police report. [words indistinct] when he was asked whether Colonel [name indistinct] informed him in the commission's report that the log book, which contain information on the arrivals and departures of Renegade jeeps at Complex 003 and that there was a time entry that left no doubt that the motorcade could not have been at the site of the events.

That log book, however, was incinerated, and Gen. Ortega does not know that this book was incinerated even today. We did not expect this. This is unheard-of. Who could believe that they destroyed a book that contains the evidence, and that the parties that would have benefited from that evidence authorized its destruction.

Obviously, all these negative aspects contribute to reinforcing the presumption that all the accused, that is, the members of the motorcade and Humberto Ortega, are guilty. After testifying, Gen. Ortega was obviously considered a suspect, and a provisional arrest warrant was issued for him. This warrant, however, was replaced with house arrest. In other words, Gen. Ortega is under arrest in his house for 10 days or until the sentence is handed down.

[Reporter] Dr. Oliva, in view of this house arrest for Gen. Ortega, can he continue as Army chief?

[Oliva] No, no, impossible.

He has already said he would place himself at the disposal of the Attorney General's Office, which ordered his arrest. The Attorney General's Office has ordered Gen. Ortega to remain at his residence, with the limitations facing every arrested criminal.

[Reporter] What is next in this process [proceso] against Ortega?

[Oliva] Many witnesses have yet to testify. Many of them have not appeared in court or have not been located. Undoubtedly, we were unable to locate certain witnesses, because they are afraid, went into hiding. Others fear giving a deposition in which they will adversely affect such powerful a man.

[Reporter] What is your opinion on the person who is handling this process at the military inspector's office?

[Oliva] Hello? Hello?

[Reporter] What is your opinion or view on the person who is working at the military inspector's office on this process which began today and lasted more than five hours?

[Oliva] So far the prosecutors have simply handled the proceedings of the corresponding questions and answers. It cannot be said these officials have violated the law. The basic thing is to wait for the Attorney General's Office to write its final report and issue its judgment, to see whether the accused are sent to prison or the case against them is dismissed.

[Reporter] Can this provisional arrest of Ortega be indefinite? What is the situation?

[Oliva] No. This arrest cannot last for more than 10 days. If after 10 days the investigation has not been completed, Ortega will be ordered released on bail. If the report has been completed, a definite ruling will be issued.

[Reporter] What is the situation of the Inter-American Human Rights Commission in the Genie case?

[Oliva] They are waiting to learn if legal provisions or human rights are being violated in this process; in case this is true, they will naturally sanction not only the Nicaraguan Government but will issue an opinion stating clearly the responsibility of the accused.

FPI Sets 72-Hour Deadline for Leader's Release

PA1903224694 Managua EL NUEVO DIARIO in Spanish 19 Mar 94 p 2

[Report by Moises Castillo]

[Text] Matagalpa— The Leftist Punitive Forces, FPI, issued a communique in Matagalpa announcing that it will take up arms again because of the insecurity "we are experiencing" and because the Chamorro administration has sentenced top FPI leader Frank Ibarra Rojas. The FPI says that although Ibarra was given amnesty, he is now being sentenced to 20 years. "We are giving the government a 72-hour deadline to release our leader unconditionally. Otherwise, we will hold the executive responsible for whatever happens in the country after the deadline expires," they said.

The FPI has also reported Commander Halcon missing and said they expect an answer from the government as to the whereabouts of that leader.

Former Lieutenant Colonel Ibarra benefited from an amnesty decreed by the government at the time of his surrender. The courts, however, have revoked that ruling and sentenced Ibarra to 20 years for the death of Dr. Arges Sequeira Mangas, president of the National Association of Owners of Confiscated Property.

The FPI staff also warned that it is in contact with all recompa forces to fight "this corrupt government, which starves the people and keeps them unemployed and in anguish." The FPI also demands that Jose Angel Talavera, alias El Chacal, be tried and sentenced for assassinating 211 of their Sandinist comrades. "He is not covered by the amnesty," they said. The FPI leaders called on Government Minister Alfredo Mendieta "to stop rewarding the murderers of the people."

The document, distributed to the media, adds: "We laid down our weapons to contribute to peace, but the government is not honoring its word. It always violates the agreements it signs. The government is putting us behind bars and making us disappear. We will fight to help our people."

FSLN Members Propose Party Changes

Deputy's Proposals

94CA0076A Managua EL NUEVO DIARIO in Spanish 10 Feb 94 p 4

[Interview with FSLN Deputy Willima Ramirez by Erick Aguirre originally published in EL SEMANARIO; place and date not given]

[Text] The internal debate in the FSLN [Sandinist National Liberation Front] seems to be heading toward a much more extensive, open, and transparent course, in which Nicaraguan society has observed, caught between surprise and amazement, how the sectarian diatribe and political discussion are striving to make what seems to be the preliminary move toward an Extraordinary Congress that will define programmatic, organizational, and statutory issues of vital importance to this enormous and well-organized political party.

All this discussion has an undeniable political content at its core, although many of those promoting it are trying to create overtones of a personal nature, with excessively ideologized undercurrents.

The FSLN should not be ideologically labeled immediately after a verbal battle in which one of every two or three groups tries to lord it over the others by means of demagogic blustering or by resorting to slanted attacks, rhetorical euphemisms, or personal criticisms without any political foundation. Instead, the political and organizational structure of the front should be transformed substantially from top to bottom, and adapted efficiently and coherently to fit new circumstances.

William Ramirez, an FSLN guerrilla comandante, party deputy in the National Assembly, and member of one of the committees (bylaws) created to prepare for the Extraordinary Congress, reflects in this interview about the diverse angles from which the debate has been approached.

Decorated with the "Carlos Fonseca" order, the supreme honor his party awards to its best militants, Ramirez speaks here of the type of party which, in his view, the FSLN should now become.

[Aguirre] Does the FSLN still carry, or should it continue to carry, the baggage of a political-military guerrilla organization?

[Ramirez] I believe the FSLN should not renounce its history. The FSLN's formation obviously had both a political and military origin; we cannot turn our backs on that, because it is something that actually happened; it is a part of history. It should be preserved as a historic landmark, to teach new generations what we human beings are capable of doing when all our options have been closed off and all the outlets for making our voices heard and our rights respected have been denied us. Starting from the basis of that historic experience, the FSLN should now adapt and adjust to the new political circumstances which the world is now experiencing, which Nicaragua is experiencing. I think we need to maintain and reemphasize those moral values and develop them in today's new circumstances.

[Aguirre] What does being a revolutionary mean to you now, at this point in history?

[Ramirez] More than anything else, it means identifying with and serving the interests of the poor, but it does not necessarily mean excluding other people who may contribute to the nation's development. It seems to me that injustice must be a spur that moves us to do battle constantly. The consequences of the inhumanity that the world's present circumstances are provoking must be another cause of sadness, another spur to move us to take

action and fight. To me, being a revolutionary today means accepting a form of behavior and a theory identified with the interests of the downtrodden.

[Aguirre] How revolutionary is the FSLN today?

[Ramirez] I believe the FSLN is a revolutionary party, and we need to continue to keep it revolutionary. I believe it is dangerous for us to start dividing it into categories or to express strictly ideological positions, for we know that the front has always been full of a variety of political views. If people here start to say that the FSLN needs to consist solely of "pure Marxists," leaving no room for "liberals," or if we take strictly ideological positions and begin to divide the FSLN between haves and have-nots, between atheists and believers, rich and poor, finally, if we create categories among Sandinists, we will also be creating the germ of a split in the FSLN, for the FSLN has always been a front and it has never been a "pure" political party. There has always been a diversity of elements in the front, believers, nonbelievers, landowners, and workers, and there has always been respect for these different beliefs. That must be preserved in the FSLN.

[Aguirre] Does that mean that calling itself revolutionary now is more a matter of practical actions than of ideological concepts that seem very confused and seem to lack strong support...? Is that it?

[Ramirez] For many of us, what happened in socialism and with socialist ideas came as a sort of new discovery, and we realized that many values were not what we had been taught. Today things are seen in another way. I believe in humanity and I believe in socialism, and it seems to me that we have to try to help everyone to live better, to offer the technical and material conditions for the advancement of all the Nicaraguan people. I want a society in which all citizens have jobs, land, access to health care and education, where the capacity exists to produce material goods and where spiritual resources are expanded. But in reality, there is a specific crisis that we need to resolve, and until it is resolved it would be utopian to make promises while overlooking that reality. It would not just be utopian, but demagogic. We cannot offer the people something we know we cannot do. That would be irresponsible.

[Aguirre] In recent days, as we have learned from the diatribes and controversies recounted in the media, a more definite division of the waters of the currents of political thought in the FSLN has begun.... What is your position on all this?

[Ramirez] I do not think this is an ideological discussion; it is a personal attack aimed at one of the leaders, Sergio Ramirez. In order to discredit him as a presidential candidate they have begun to seek out his weak points, and so they have created an entire pseudo-ideological language that is nothing more than a coverup for an ideological discussion. People have started to say he is a social democrat, etc., with the intention of *a priori* discrediting him as a candidate. The truth is that in the FSLN we all share a program, Sandinist rules of behavior. I can ask any militant to support the front's program with me, and if he backs it I will expect that he act in accordance with that program. I will not be too concerned about whether or not he may own property, whether he is a believer or not. What interests me is that he does what the program says, so we can work together in the struggle. If we start to talk about categories, we need to remember that that is going to create divisions within the FSLN.

[Aguirre] Does it seem to you that the FSLN's present National Directorate is capable of guiding this process toward a full, popular, and pluralist democracy?

[Ramirez] Everybody agrees that the FSLN needs renewal, and in that renewal, its leaders must be included. I support that position. It seems to me that the present National Directorate played a great role in its leadership during the war, while we were underground, and while we were in office. Now we need to make room for new leaders. On whether or not they are capable of leading the front in these new circumstances, many of us know how they are currently working, and I feel there is no way at this time that the present national leadership can continue operating as it is doing, which is in a totally irregular manner. I think it is healthy not only to change the FSLN program based on the new circumstances and for the approaching election campaign, but also the bylaws, the internal regulations, and party officers.

[Aguirre] In your view, should a party like the present FSLN consider the possibility of once again turning to an armed uprising at some specific moment?

[Ramirez] That depends. In the Somoza era, our voices were heard on the radio only when we attacked, we were in the newspapers only when we were taken prisoner or we were dead, because we had no space. Today's conditions are different. Now we have room for political action, we have newspapers, radio stations; we cannot say the political conditions are the same as they were in the past. I believe we need to continue using political methods, civic and electoral routes to work out our internal disputes and bring about government changes in this country. In reality, the possibility of an armed uprising is not desirable for me, nor do I believe it would be for the rest of the Nicaraguan people. I definitely support a civic and electoral approach. I believe that is the best heritage we can give our children.

[Aguirre] I remember seeing Sandinists leading the fight against the Somozist guard, holding important posts in the Sandinist government, dealing with difficult situations (a government minister, along with the entire population, facing a hurricane like Joan, for example), always as Sandinist cadres; it would be said such people were proven Sandinists.... What sort of FSLN does a man like you expect at this time?

[Ramirez] I want a FSLN for all Nicaraguans. I would not like there to be an FSLN that excludes anyone, I would like an FSLN whose aspiration is to serve and fight for the

interests of the poor. I want an FSLN that will reclaim the mystique that many of us have lost, a mystique that is practical and not a matter of speeches or party lines. I want this country to live better, I want the Nicaraguan people to live better. I want my party to be a united party, a party of men and women capable of keeping their nation free, with a moral quality that will serve as an example to all of Central America and the world.

[Aguirre] How does a Sandinist guerrilla comandante deal with a world like today's, with today's Nicaragua?

[Ramirez] It has been a difficult transition phase on a personal level. My first year in the National Assembly was very hard for me because I am not a man used to talking or giving speeches. I have always been more a man of action than a theoretician, but I realized that things have changed, that we had lost the elections, that my new place was in the National Assembly. It was not until the second year that I came to understand that that was where I should be fighting my political battles. I think that is still happening to many of our comrades. We have not yet realized that we are now something different. We want to continue being Sandinists and recover the best values of Sandinism. Now our struggle is not advanced by setting fire to this country, but by taking part in politics, by debating issues and expressing demands politically. Still, I do not reject popular struggle, union, or even political demonstrations. We need to combine all possible forms of civic struggle so this country will have the opportunity it has never had to move forward.

[Aguirre] This is obviously another context, another scenario. So, how do you view your time as a "guerrilla comandante"? Do you look at it with nostalgia, or does it seem only a romantic image?

[Ramirez] I view it as a recognition of something that happened. We were where we were, we did what we did. It was something that happened. I believe it was for the good of our country. I do not regret doing what I did or having been involved in the FSLN, but it seems to me that I should not—none of us should—live on past glories. We have to live in the present and play a new role in this society.

Appeal for 'Renewal'

94CA0076B Managua EL NUEVO DIARIO in Spanish 6 Feb 94 p 4

[Commentary by Carlos Tunnermann Bernheim]

[Text] The construction of democracy in Nicaragua is an imperative for our times. The challenge of creating it on firm foundations demands that we move forward to build a "culture of consensus," because a true democracy can only be created through the civilized instruments of dialogue and political negotiation.

Of course, in our tumultuous history there are unfortunately very few examples we can cite as valid precedents upholding the culture of consensus. Instead, the pages of our history are filled with the opposite phenomenon: the violent resolution of conflicts, the use of force, and a propensity toward one-man rule and dictatorships. Still, since it appears that democracy may finally have found a place in our history, it should be feasible to construct a democratic program that will enable us to prepare for the transition to the 21st century, based on a broad national consensus.

Nicaragua's critical situation and the new conditions of the world and of Latin America demand of our political leaders a process of maturation that will lead to a new political style, capable of setting aside, like museum pieces, the habits and ideas that no longer make any sense in our new national and international situation.

This is the challenge that the circumstances and patriotism impose on us, a challenge to which we must all respond if we do not want to remain prisoners of a political primitivism that is capable of placing us outside history and shutting the doors on any chance of progress.

We face multiple challenges: we need to consolidate the fragile peace we have achieved; move ahead toward true democratization; strengthen production systems in order to expand our exports; combat unemployment; give priority attention to social policies; and stimulate our incipient scientific and technical development. Our goal should be a more just and human society, not only a more prosperous market. The new international and regional competitiveness will leave us sidelined on the road to development if we do not clearly perceive our current challenges and step out boldly to face them.

In the Latin American debate on strengthening democracy, the need to promote social policies that are fully integrated in overall economic development strategies is taking on increasing importance. The new thinking, which overcomes the rigidity of neoliberal systems, grants a key role to social reform and the struggle against poverty as a way to strengthen democratic governability. The state cannot reduce its role to that of a simple "market watchdog." It must also shoulder its "compensating" responsibility on behalf of the most vulnerable, and those who bear the greatest brunt of structural adjustment plans.

The challenge of building democracy in Nicaragua also requires the internal renewal and democratization of the FSLN [Sandinist National Liberation Front], whose importance in our national political spectrum no one can deny. Until the FSLN is transformed into a modern, civilian, and participatory party that once and for all eradicates verticalism and the temptation of one-man rule, thereby creating an authentic democratic option for our people, the process of building democracy in Nicaragua will not have the firmness and amplitude we all want.

The FSLN's renewal needs to be the product of an extensive debate in which mutual respect for persons and ideas will prevail. Nothing is more contrary to that purpose than resorting to insults and calumnies, even

using the Sandinist media and manipulating those who regrettably allow themselves to be used for such blameworthy procedures.

We hope the debate will proceed in another direction and take on the decency that respect for true Sandinist principles demands.

Economic Planning Needed

94CA0076C Managua BARRICADA in Spanish 5 Feb 94 p 7

[Commentary by Victor Tirado]

[Text] On other occasions I have emphasized that for all nations, whether capitalist or underdeveloped, economic problems take priority; they are more important than purely political and military matters, since a nation's strength or weakness depends on the state of its economy.

I have also said that the political movements that are going to prevail and have a broad social base are those that are capable of finding solutions for serious economic and social difficulties.

A response must be made to the problems of inflation, stagnating production, unemployment, and many others. Of course there are political and social problems, but economics is also political, and it combines with everything; ultimately, economics is what matters.

This is how the FSLN [Sandinist National Liberation Front] should see Nicaragua's situation. But first the responsibilities must be clearly established, because, let us say this straight out, the truth is that we all have a stake in the fundamental cause of our economic crisis.

The FSLN's real debate should now focus on analyzing where this country is going. We need to examine, one by one, the social conflicts that have arisen from the election results, and so prepare to define the major lines of the economic battle for production and productivity.

The new FSLN cannot remain outside a revolution that emphasizes the market, competitiveness, efficiency, productivity, and scientific and technological innovation; in order to act in this situation, the front must prepare itself.

The FSLN needs to take part in this new reality, for otherwise it could lose its social influence. What must be defended now is economic reconstruction and the economic advancement of the nation. I believe there is no other way in sight at this time than convergence, economic collaboration, and working with the government on those points where we can agree.

Organizing Economic Thinking

This is the new economic thinking the FSLN should organize to continue integrating into a single activity the informal sessions, and some that appear clandestine, so they will become legal meetings.

The present economic model cannot progress in the midst of a socioeconomic conflict that is the result of the aftermath of war. During the last three years the military conflict has not ended, and in the midst of all this, economic adjustment plans are being applied that have, and can have, no populist character because the present system that has been established here is one of market forces and free competition. According to the government, there is no other way to develop the nation.

However, some elements that do not warrant support in the stabilization plan are the orthodoxy of the adjustment, insensitivity toward unemployment, the concentration of wealth in sectors having little interest in investing and making sacrifices to boost production, business nepotism, and the use of this presidential term to engage in corruption.

For example, the government alleges that privatizing everything will solve the problem. No, it will worsen it. Any economic system that we want to construct requires a process during which an economic and educational level is developed (which we do not have today; it will take a number of years, many generations to achieve this). We must also look at the experience of other countries so that we will not act too hastily, and so that we can avoid making the same mistakes.

Our economic growth strategy must be based on two elements of maximum importance: our society is overindebted and the major part of this debt is our external debt. This means that we do not generate sufficient liquid resources to cover our consumption, much less to invest. In this situation, what strategy should we pursue? Should we consume based on our financial potential, or continue to go deeper into debt?

This is the reason why political language should not fall into the temptation of offering people what can never be produced in the mid- and long-term. We cannot offer a war, we cannot offer excellent hospitals, we cannot offer free services, we cannot offer special privileges and perks; instead, what we have to offer are hard work, sacrifice, and honesty.

Clash Between New and Old

There are no universal remedies for overcoming economic ills. Every nation, depending on its own particular circumstances and its level of development, must find the appropriate way to get through its crisis.

The burden of the aftermath of the war falls on farmers and workers. The government has been forced to devote a large part of the budget to fighting people who have taken up arms again. However, the government has been using this as a pretext to design a fiscal and tax policy detrimental to production.

In its debates the FSLN should concentrate on these problems in order to restore the model of a mixed economy, one that can again begin to function normally. At this time, the important thing is to solve the economic crisis; this is an urgent task that cannot be postponed. To accomplish it, a national consensus is needed; we need cooperation among the government, the workers, and the business community: agreement among all social sectors.

An enormous vacuum can be seen in the FSLN leadership. Now we need to decide whether the partisan structures that are being maintained in a traditional format are appropriate or not. Thousands of workers and campesinos are rallying around the properties that have been acquired and that have to be paid for. Thousands of unemployed are supporting whoever can offer the most at this time. Departmental committees are more concerned about the unemployed than about the workers and people who own some land. The masses are experimenting with new social and production systems, while the FSLN still clings to its traditional system of leadership.

The forthcoming Extraordinary Congress needs to resolve this situation and weigh the need to develop a new type of cadres, people who are prepared to promote change and pursue a new course, for this generation of Sandinists has been unable to respond to the organization itself and even less to create a new program for the nation's economic sector. We are trapped in worn-out economic and political thinking. The congress needs to address this issue. The FSLN crisis is everyone's responsibility.

The different currents within the FSLN and the debate must be a part of the partisan democracy that gives life to the FSLN.

Still, this should not be considered simply politics as usual, as that would lead to the paralysis of the front; nor should these groups be treated as suspect. We need to be open and transparent. This is a fight between a new Sandinism and an old Sandinism that is refusing to die.

End to 'Elitism'

94CA0076D Managua BARRICADA in Spanish 5 Feb 94 p 7

[Commentary by Reinaldo Antonio Tefel]

[Text] It is encouraging that a group of Sandinists who seemed to be locked into traditional positions have joined in the great Latin American current of the new democratic left and humanistic socialism. The document of the Pekin Guerrero Group, with that significant shift, opens up room for a Sandinist consensus on programmatic issues. This is made even more encouraging by two facts:

1. The fact that some strong intellectuals have made positive contributions to this document; and

2. The fact that among the members of that group there are people who just recently had been attacking, excluding, and criticizing those of us who, for a long time—and in some cases like mine, for years—had been calling for a profound democratic transformation of Sandinism, by updating its historic roots along the lines of democratic neosocialism. This creates hope that exclusionary tactics and abusive language may now be buried forever.

However, the document has some gaps on which we need to reach consensus before the Extraordinary Congress. I am only going to list them in order to promote a Sandinist debate of these issues:

1. We need to design a viable socioeconomic alternative to offer to oppose neoliberalism and statism, an alternative which will define the ground rules in our relations with the government and with other political parties, and will serve as our standard for the 1996 elections.

2. We need to adopt a self-critical position on the policies and actions of the FSLN [Sandinist National Liberation Front], a self-criticism we owe to all Sandinists and to the Nicaraguan people.

3. We need to insist that the Extraordinary Congress establish effective controls for the transparent management of party assets.

4. Equality among all Sandinists needs to be established with complete clarity, rejecting any form of political elitism by dividing people into first- and second-class members.

5. From general statements on party organization on which we all agree, we need to move to organize clearly collective democratic leadership groups that correspond to the initial Sandinist form of collegial leadership, and do away with unipersonal authoritarian forms. Only in this way, with a collective democratic leadership, can we make the approach of the democratic left and humanistic socialism become a reality, and only in this way will we be able to bring about a profound transformation and renewal in unity.

Panama

Mulino Heads to Washington To Discuss MLAT

PA2103193494 Panama City Telemetro Television Network in Spanish 1730 GMT 21 Mar 94

[From the "Telemetro Reports" newscast]

[Text] Panama will seek a consensus for getting the U.S. Congress to approve the Mutual Legal Assistance Treaty [MLAT].

[Begin recording] [Unidentified reporter] Now that the elections are near, do you think this will delay the U.S. Congress in approving MLAT? We have not yet received any answer to that effect.

[Foreign Minister Jose Raul Mulino] I am leaving for Washington on Wednesday to have some bilateral conversations with U.S. State Department officials and

some congressmen. I have requested an appointment with Senator Helms, the undersecretary of state for Latin American Affairs, and the secretary of the Panama Canal Commission Board of Directors to officially talk about topics of mutual interest. This treaty is obviously one of these topics. I do not see why our electoral process should interfere with the Senate approving the treaty, which should be an urgent issue because of the importance of the document to the bilateral mechanism that it establishes between our two governments and both nations' goals for the fight against drugs.

[Reporter] Apparently the U.S. Government is not aware of that urgency because there has not been any reply so far.

[Mulino] I would not say that about the U.S. Government. The government as such, the executive branch, did what it had to do: negotiate and sign the treaty.

[Reporter] Is it the Senate then?

[Mulino] It is in the hands of the Senate, and it is up to the legislative branch to do its work. That is precisely the purpose of my visit. I am going to talk with them; explain that we are interested in it becoming a mechanism that will very shortly become law. We will exchange the documents whereby both senates [as heard] ratify it, and then we will proceed to implement it. I think it is a very effective and good measure for collaborating in the fight against drugs and similar crimes. [end recording]

Attorney Says Legislator Ramirez 'Manipulated' by U.S. Agents

PA1803185894 Panama City LA ESTRELLA DE PANAMA in Spanish 16 Mar 94 p C11

[Text] Edna Ramos, defense attorney for Legislator Anel Ramirez, currently under custody in Tampa, Florida, has said her client is unequivocally innocent. The U.S. Government has accused Ramirez of conspiracy to introduce drugs into that country.

"Our client is definitely innocent. He was manipulated by U.S. undercover agents, and that will be corroborated in due time by Ivan Fisher, the attorney who is handling the case in the United States," Ramos has explained.

After stating Legislator Ramirez must not be stripped of his parliamentary immunity, Ramos added there is absolutely no documented evidence his client has committed an offense in our country.

When questioned on the fact Ramirez is being investigated both in the United States and in our country, Ramos said Panamanian law mandates when it is presumed or feared an offense has been committed in the country, the Attorney General's Office must begin an investigation.

"Regarding this case in particular, in which a personality of the significance of Anel Ramirez is involved, it is first necessary, however, for the Attorney General's Office to provide sufficient evidence to initiate a case. And in this process, as will be known later, there is really no merit. There is not enough juridical grounds to begin a case, an investigation. They have not even mentioned witnesses. Moreover, in this process Anel Ramirez is the only detainee," Ramos has said.

After explaining that her client, Anel Ramirez, did not deliver drugs or money, Ramos said undercover agents did everything. She stressed Legislator Ramirez' participation has not even been determined.

Ramos has said there are not even alleged coconspirators, as judges in the United States have determined. They have not been arrested, nor has their situation been established.

Endara Not Opposed To Return of Noriega Collaborators

PA1903045194 Panama City LA PRENSA in Spanish 17 Mar 94 p 1

[Report by Manuel Alvarez Cedeno]

[Text] President Guillermo Endara is not opposed to the return of General Manuel Antonio Noriega's former civilian and military collaborators who left the country in 1990, but he added that they must settle pending court matters if they return.

Endara said: "As far as I am concerned, all Panamanians who left—from former Government and Justice Minister Rodolfo "Popito" Chiari on down—may return, but, if they have any problems with the Judicial Branch or the Attorney General's Office, I will not get involved in that."

Following Noriega's ouster, his main collaborators abandoned the country, and since then, some have expressed a desire to return, but they must face charges linked to freedom of speech violations, embezzlement, and even murder.

The president argued: "They are not in exile because of me," which is very different from what the former military government did when it exiled many of its opponents.

"I sympathize with all Panamanians in exile, because I was once forced to leave the country. As far as I am concerned, they can return, but if they have any cases pending with the Judicial Branch, I will not get involved in that," he added.

Those in exile include Chiari, who is accused of freedom of speech violations; banker Rafael Aroesemena, accused of embezzling $6.7 million from the National Bank of Panama; and various military officers accused of murder and various crimes against the state.

The Democratic Revolutionary Party has said most people still in exile are being persecuted by the Endara administration.

Endara denies this, however, by saying, "I have sent no one into exile," as was done by the dictator Manuel Antonio Noriega, who was sentenced to 40 years in the United States for drug trafficking.

President Files Lawsuit Against EL SIGLO Editor

PA1903163994 Panama City Circuito RPC Television in Spanish 2300 GMT 18 Mar 94

[Report by Ciro Ortega from the "RPC Television News" newscast]

[Text] President Guillermo Endara Galimany has filed a lawsuit against Jaime Padilla Beliz, editor of the newspaper EL SIGLO, alleging slander and libel.

The president has voiced his anger over a report published today in EL SIGLO. The report refers to statements by journalist and attorney Jaime Padilla Beliz who said it was learned the very president of the Republic was threatening one of the Electoral Tribunal magistrates with firing his wife from a position to which she was recently appointed if he rules in favor of Mayin Correa, Panama City mayoral candidate, in a case at the Electoral Tribunal.

[Begin recording] [Endara] I am suing him for slander, because it is absolutely false I threatened an Electoral Tribunal official with dismissals or any other measure. The meetings and conversations I have held with Electoral Tribunal officials have dealt with what the president can do to benefit the elections.

The conversations with Electoral Tribunal officials have been limited to budgetary concerns, special credits, and making their job easier. That is the only relationship I have maintained with the Electoral Tribunal magistrates.

[Unidentified reporter] Mr. President, the fact your wife is also running for mayor of Panama City may create a conflict of interest; what is your opinion?

[Endara] I definitely have an interest. I am not going to lie and say I have no interest. I have an interest, but as president of the Republic I will not do anything in favor of that candidacy. [end recording]

Meanwhile, Jaime Padilla Beliz, EL SIGLO editor, is out of the country and is unavailable for comment on the president's lawsuit.

On the other hand, Endara Galimany said he met with labor leaders of the ports and tourism taxi association as well as employees of the duty-free shops to analyze the crisis generated by the closing of the so-called duty-free shops.

[Begin recording] [Endara] The solution is for them to sell items that interest tourists. As is known, here in Panama there are a series of items, electronics, calculators, radios, tape recorders, etc., in which tourists are especially interested. The import duty on these items is nearly zero, precisely to attract tourists. Those shops must sell items for tourists. [end recording]

The president expressed his optimism over the results of this meeting, but he did not specify when he will define the status of the duty-free shops.

Carles Interviewed by Students on U.S. Invasion, Economic Platform

PA1903000394 Panama City TVN Television Network in Spanish 0100 GMT 18 Mar 94

[Presentation and question and answer session by Ruben Dario Carles, presidential candidate of the Civic Renewal Party, National Renewal Movement, and Nationalist Liberal Republican Movement, with students from the Technological University, Santa Maria La Antigua, and the University of Panama at the station's studios; moderated by Ricardo Samaniego; from the "Young Vote '94" program—live or recorded]

[Excerpts] [Samaniego] Good evening, Professor Carles, and welcome to "Young Vote '94." We are accompanied by students from the three universities: the Technological University, Santa Maria La Antigua, and the University of Panama. [passage omitted]

[Samaniego] Here is student [first name not given] Armuelles of Santa Maria La Antigua University.

[Armuelles] Good evening, professor. We all know that history is written by the winners. Former governments have traditionally used primary and secondary school textbooks to record their own interpretation of history. I would like to know how your administration will interpret the 21 years of military government, and particularly the U.S. invasion.

[Carles] I believe that history is obvious, but it must be made public knowledge. There was an obscure period here when things were not communicated to the people; they were not informed. We must reveal the facts so each person can draw his own conclusions.

[Armuelles] But Professor, something is missing. What about the U.S. invasion? What interpretation will be made of that?

[Carles] It depends. Some say it was an invasion; others say it was a liberation. The truth is that if U.S. troops had not arrived, a military boot would still be trampling us. I was exiled for eight years. I hadn't done anything but speak in defense of liberty. At that time, anyone who spoke in defense of liberty was put behind bars, buried, or exiled. I was exiled on two occasions. The military problem intensified. It called for a military operation so the Panamanian people could rid themselves of that opprobrious, corrupt, and inefficient dictatorship. Otherwise, we would still be saddled with it.

[Samaniego] [passage omitted] Student Corina Cano of the University of Panama.

[Cano] Good evening. Your platform says Panama should lease the bases to the United States in exchange for an opening of U.S. markets to Panamanian products after the year 2000. Wouldn't that be the same as not receiving any direct benefit from the lease? There are other commercial mechanisms that permit the exportation of Panamanian products to U.S. markets, such as NAFTA, which Panama has joined [as heard], and the Caribbean Basin Initiative, of which Panama has been a beneficiary.

[Carles] It could take us a long time to join NAFTA because of the negotiation process and difficulties we might have in meeting some of the conditions. I propose an agreement parallel to a free trade agreement in which we would have access to certain products in specifically assigned quantities with the purpose of increasing investment and jobs in Panama. When there is an opportunity to market a product, it attracts investment and generates jobs. Nobody is going to invest or produce if there is no possibility of exporting. For example, if we had such an agreement, and they told us that we were going to export 1 million quintals of sugar or 2 million quintals of sugar for a given period of time, within one year Panamanian sugar mills would increase the amount of land used for sugarcane plantations. Also, the period for sugarcane harvesting and production would increase. I could cite certain cases in which we could generate jobs. The purpose of this is to generate jobs, to increase production, to increase the income of Panamanians, because we have an established market. [passage omitted]

PDC Candidate Vallarino Issues 'Pact'

PA2203023294 Panama City LA PRENSA in Spanish 20 Mar 94 p 29

["Pact With the People" by Eduardo Vallarino, Christian Democratic Party (PDC) presidential candidate]

[Text] I, Eduardo Vallarino Arjona, personal identification card 8-196-140, PDC presidential candidate, on my behalf and that of the other candidates to the elective posts for our party, propose to the people of Panama that we hold the following pact.

Upon being elected in the 8 May elections, our government will implement the following in all its forms:

1. We will govern with honesty and efficiency and fight corruption in all its forms.

2. We will increase significantly the punishments applicable to kidnappers, murderers, thieves, and drug traffickers. We will substantially reform the judicial system so that there is justice and the law is enforced.

3. Our main effort will be centered on fighting malnutrition, extreme poverty, and the neglect in which our people live. We will give the neediest decent and affordable housing, whether they own or lease. We will promote economic growth in hand with social progress.

4. Land and housing allocations made by agrarian reform and the Housing Ministry will be given equitably to men and women to protect the family, and to only one of them, except in confirmed cases involving unwed mothers, who will be the object of our special attention. [sentence as published] We will protect the family, promote an equitable and fair treatment to women, tend to children's needs.

5. We will roll back the retirement age as soon as the Social Security Fund finances recover and review the amounts of pensions given to retirees and pensioners.

6. We will promote the creation of new jobs via investment in public works and give fiscal incentives to private companies so they can generate jobs.

7. We will continue to defend the 13th month bonus.

8. We will respect and pay the salary increases established by the law to educators, nurses, firemen, policemen, postal employees, and other public employees. We will review periodically the minimum wage of private company employees as Article 62 of the Constitution establishes.

9. We will protect the agricultural and industrial producer by guaranteeing the consumption of national products before foreign products.

10. We will give incentives through scholarships, rewards, and other stimuli to Panamanians, mostly the young, who stand out in sports, culture, sciences, and the arts.

11. We will upgrade the quality of the education system so students can promptly join the labor force; we will pay just salaries to educators and promote their professional betterment.

12. The Public Force will continue to be headed by civilians and will be trained and equipped to protect a democratic society and guarantee that security to all citizens.

13. We will ensure the reverted areas are utilized for the benefit of all Panamanians, not just a few. We will continue our historical struggle to make our canal fully Panamanian.

14. We will initiate the territorial delimitations to which the Indian peoples are entitled and provide them with the public services of health, housing, and education under equal conditions with the rest of the country; we will protect and defend their cultures. The San Blas reservation will be officially named Kuna Ayala.

15. We will improve and extend the services of garbage collection, water, electricity, telephone, and health, and at the same time lower their rates.

16. We will implement a national tourism and a port and maritime development plan, taking advantage of our country's natural beauty and geographic location for the

sake of artisans, fishermen, merchants, and, in general, the economy of the Panamanian people.

17. We will devote special attention to the ecology by promoting reforestation and sustainable development. We will sponsor laws that foster the utilization and protection of our flora and fauna.

18. We will rescue the national road network and improve mass transit to give our farmers access to the market and riders access to their jobs and cheap, comfortable, and safe transportation.

19. We will help the men and women of rural areas obtain land to work and help their children have health and educational services and greater opportunities for a better future.

20. We will turn consensus, fraternization, and participation of our country's different political and social forces into institutions, as the main instrument to achieve the higher goals of the country outlined in this pact.

Approved by the PDC National Political Committee on 17 March 1994.

Appointment of Minister Without Portfolio Criticized

PA2103025394 Panama City LA ESTRELLA DE PANAMA in Spanish 20 Mar 94 p A4

[Editorial entitled: The Appointment of a Minister Without Portfolio]

[Text] President Guillermo Endara Galimany confounded public opinion several weeks ago with the announcement he had proceeded to appoint Mr. Roberto Aleman as minister without portfolio. The presidential decision was immediately understood as a political solution aimed at pleasing a party that had recently decided to join the new government alliance. After the announcement all sorts of controversies have risen in the country's political and legal circles.

A decision which in the beginning seems to have originated as the result of the new government election coalition has now turned into a real conflict in which all sorts of legal theories have developed. As a consequence of this situation, the National Assembly Board of Directors has proceeded to deem President Endara's appointment as unconstitutional before the Supreme Court of Justice. As a result of the National Assembly's position, President Endara has said he has ample authority to carry out this or any other appointment he may seem fit. Nevertheless, in short, the national Constitution is quite clear with respect to the distribution of duties between ministers of state. First of all, it demands the existence of a law. No one can deny the president's right, granted by the Constitution, to carry out the appointment of ministers of state. Likewise, it is also true that right is in effect when the National Assembly has approved the establishment of the position and apportions sufficient funds as part of the nation's income and expense budget.

President Endara's supposed freedom to appoint officials as established in Paragraph One of Article 178 of the Constitution, supporting grounds of that appointment, is not enough, not even given an analysis of budgetary and personnel administration regulations. Much less is it justified prior to an electoral period.

If after four years of government for whatever reason the president decided the creation of a new position in the state bureaucracy was necessary, this must have been included in the state's budget. Even if the appointment was that of a presidential adviser, as they have tried to justify, it must have been made through the signing of the president and the corresponding minister.

The appointment of the minister without portfolio or an adviser was legally and fiscally validated through one single signature, that of the president of the Republic. What is even worse, the presidential measure has entailed other important consequences such as the decisions of the Cabinet Council, which should be signed by the new member. This holds particularly true given there is no law creating this post, and the minister without portfolio does not have functions. It would be legally an appointment without a specific objective, which could border on a criminal offense against the public administration.

We believe the appointment of a minister without portfolio is another of the so many bloopers President Endara has made during his administration. The minister without portfolio will be a minister without specific functions, receiving a high salary and without a justification.

Should the figure of the minister without portfolio be maintained, the Cabinet Councils would include the body of advisers, making its functioning inoperative. This would also adversely affect the economic policy of reducing the government payroll, for which so many lower-ranking public employees were sacrificed.

Regardless of the Supreme Court of Justice's ruling on this issue, the appointment made by President Endara to please a political demand represents an unpardonable sneer at the Panamanian people, particularly the thousands of Panamanian people who are unemployed and the very public servants who have struggled for a wage hike.

While government leaders have said they do not have enough money to meet the demands of thousands of fellow Panamanians who yearn for a job in the government or higher wages, the government proceeds to appoint a minister without portfolio without any legal or fiscal basis. In an attempt to analyze the legality of this issue, it must be asked "What annual report would the new minister present? What report would be explained before the Assembly? What would be the obligations and rights of this new public servant, and has he previously filed a declaration of his properties?"

That is why the announcement on the reaction of the Legislative Assembly, which has filed an unconstitutionality writ against the appointment, is so important. This decision is not the result of an individual's feelings, rather, the institutional reaction of that important state branch. This represents a forewarning against the actions of the president of the Republic. The state is not a private farm in which decisions are made arbitrarily. The legal order must prevail not only in the defense of the state but also out of respect for those holding government offices. Consequently, given the above presumably legal justifications, the principle of legality, which does not permit the creation of an arbitrary figure, must prevail.

Argentina

Menem Denies U.S. Conditioning Country's Entry to NAFTA

PY2103134094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1305 GMT 21 Mar 94

[Text] Buenos Aires, 21 Mar (NA)—President Carlos Menem has asserted that the approval of the new law on pharmaceutical patents does not represent "a full requirement" by the United States on Argentina's entry into NAFTA.

The chief of state said it is "merely a sort of warning regarding our relationship."

"We are doing the same over (agricultural) subsidies: We are telling the United States that they cannot continue to subsidize the sale of wheat to Brazil because it causes huge damage to Argentina."

Menem said this during an impromptu news conference granted at the press room at Government House, shortly before receiving U.S. Vice President Albert Gore.

Gore's Arrival 'Escalated' Controversy Over Patents Law

PY2103183994 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1551 GMT 21 Mar 94

[Text] Buenos Aires, 21 Mar (NA)—U.S. Vice President Albert Gore's presence in Argentina has escalated controversy on the approval of a law on the protection of intellectual rights on pharmaceutical patents and has awakened the local laboratories that insisted on championing their interests.

Representatives from Argentine laboratories, the Argentine Industrial Center of Pharmaceutical Laboratories (CILFA), and foreign laboratories, the Chamber of Pharmaceutical Specialties [Camara de Especialidades Medicinales] (CAEME) have agreed in rejecting the possibility that the U.S. Government will apply sanctions against our country if an official bill, scheduled for discussion in Congress, is not promulgated before 30 April.

In remarks to NA, Felix Rozanski of the Studies Center for the Development of the Argentine Chemical-Pharmaceutical Industry [Centro de Estudios para el Desarrollo de la Industria Quimico Farmaceutica Argentina] (CEDIQUIFA), a CAEME member, noted: "Argentina will faithfully abide by the agreements signed before. Therefore, it is totally out of context to talk about sanctions—which are the last step in negotiations, not the first."

Rozanski stressed that Gore "is coming to build, not to fight." He added that he does not believe "in the magic 30 April deadline."

In remarks to NA, CILFA President Pablo Challu emphasized that he does not believe the United States will place sanctions on our country. He accused the foreign laboratories of "formally" asking the U.S. Government to apply measures against local manufacturers.

Challu noted that the Clinton administration's sanctions might involve limiting exports from other sectors not involved in the controversy.

Challu believes the selected deadline is not imaginary because the 117 countries that approved the GATT agreement will sign it in April. The definition by the U.S. organization UCTR [expansion unknown] of the implementation of trade pressure measures also becomes due in April.

In this exchange of accusations, Rozanski stressed that "a small group of families and courtly entrepreneurs ill advise" government officials and legislators and prevent the official bill, scheduled for discussion in Congress, from being approved.

Nevertheless, Rozanski expressed hopes Argentina's current policy will remain faithful to all the bilateral negotiations and agreements achieved with the U.S. Government. He stressed: "The delay is inconsistent."

Rozanski charged: "The parties benefiting from the current system, namely a few families, are distributing unclear information and implementing a strong lobby [preceding word in English] to prevent the bill's approval."

Rozanski noted that the bill's approval will encourage exports. He pointed out that CILFA "is passing the ball, ignoring treaties already signed."

Rozinski emphasized that even though the patents law "represents a precondition for Argentina's entry into NAFTA and urges the patents law's discussion, it is important for our country to respect commitments entered before."

CILFA prepared itself for the possible "onslaughts" that may be prompted by Al Gore's arrival this week with a paid advertisement that was published today by our country's main morning newspapers.

In it, CILFA asks U.S. Ambassador James Cheek "not to invalidate signed agreements."

In this exchange of accusations of lobbies [preceding word in English] and influences, Challu indicated that 117 countries reached agreement on intellectual rights within the Uruguay Round of GATT. He pointed out that these measures "are the ones we must respect."

Challu stressed: "There are two basic differences: First, the GATT guidelines establish a 10-year transition period for the implementation of any rules and regulations."

Despite all these urgent considerations, Congress has not yet decided on this issue and not even the most optimistic believe the official bill will be discussed before 10 April.

Both Ambassador Cheek and Foreign Ministry sources admitted that the approval of this law represents a basic step for Argentina's entry into NAFTA.

Socialists, Workers 'Repudiate' Gore's Presence

PY2103172394 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1607 GMT 21 Mar 94

[Text] Buenos Aires,21 Mar (NA)—Members of the Socialist Workers Movement (MST) and the Workers Party (PO) are waiting at the entrance of the Sheraton Hotel to "repudiate the presence in the country" of U.S. Vice President Albert Gore.

Gore arrived in Argentina last night and is now attending the opening ceremony of the World Telecommunications Conference at the Libertador Hall of the Sheraton Hotel in Buenos Aires.

Menem, Gore Open World Telecommunications Conference

PY2103180794 Buenos Aires Radio Nacional Network in Spanish 1600 GMT 21 Mar 94

[Report by Gaston Sulage from the Sheraton Hotel in Buenos Aires—live]

[Text] The First World Conference on Telecommunications Development, organized by International Telecommunications Union, has just been opened. U.S. Vice President Albert Gore and President Carlos Menem gave addresses.

Al Gore thanked Argentina for hosting this conference with such a magnificent level of hospitality—referring to Menem—and asked everyone to help him create a global infrastructure of information. He added that information is a treasure which must be shared if it is to be of true value.

Let us now go to an excerpt of Menem's address:

[Begin Menem recording] As Argentines, Argentines who are doubly proud. First for the distinction of having been chosen to host this conference. Also for the opportunity of showing the world our achievements in the arduous task we have undertaken, to transform the state and especially the privatization and deregulation of the communications sector.

It has been an essential step in our policy: To modernize the country's structure and thus be better armed to confront the challenges of the 21st century.

We have done all this and will continue, thinking of future generations. This why the transformation process being implemented avoided every opportunity for speculation. [end recording]

That was part of Menem's address. He also stated that during the course of this conference, a contract will be signed to expand the cellular telephone service throughout the country, and that a international tender, one of the few examples in the world, is about to be issued to resolve the structural problem of how to control the radio-electric spectrum.

Article Examines U.S. Position on Telecommunications

PY2103210494 Sao Paulo GAZETA MERCANTIL in Portuguese 21 Mar 94 p 12

[Text] To attract international attention to the necessity of using telecommunications resources more harmoniously in the five continents: This is one of the main messages U.S. Vice President Al Gore will convey in the speech he will deliver at the ceremony opening the First World Conference on Telecommunications Development, which is promoted by the United Nations and the International Telecommunications Union (ITU). The event, which will take place in Buenos Aires and will be attended by Argentine President Carlos Menem, will gather together representatives from 182 countries.

On 18 March USIS distributed a note reporting on the special attention the United States is giving to the event, in that Vice President Gore is involved in the issue of the development of the "information superhighway." This network will enable the United States to create the conditions to transmit images, data, and voice through one physical medium.

Another important point to be viewed in Gore's speech will be the proposal to open the telecommunications area to bids, because in several countries telecommunications are a monopoly, under state control. Gore will go to Argentina to defend the fast deregularization of the sector, as this is "a path that can increase investment in the area and result in improving the quality of the services."

This message, and the idea of ensuring harmonious development, will also be presented at the G-7 conference scheduled for July in Italy. Al Gore will stay in Buenos Aires only for the opening of the conference, which will last nine days. The U.S. delegation to the conference is comprised of representatives from the Federal Communications Commission (FCC), which regulates this sector; from the Department of State and the Department of Commerce; and from private enterprises. FCC Chairman Reed Hunt will take the opportunity to point out to those attending the conference that "information" can be in two places at the same time. He will address them via satellite, live, from another meeting—the National Association of Broadcasters convention—which will be taking place in Las Vegas in the United States.

Gore will begin a series of discussions searching for harmonious solutions to telecommunications development. What has become clear is that it does not help to

concentrate physical means, optic fibers, and satellites in the northern hemisphere while the world turns around a globalized economy. The program contemplates the definition of practical actions.

Another goal of the meeting is to discuss the bases for ITU regulations and programs aimed at developing telecommunications during the 1995-1999 period.

Ambassador to U.S. Views Patent Rights Law

PY2103181694 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1701 GMT 21 Mar 94

[Text] Buenos Aires, 21 Mar (NA)—Raul Granillo Ocampo, the Argentine ambassador to the United States, has pointed out that the approval of a pharmaceutical patents rights law "does not represent a great conflict" between the United States and Argentina.

"It is different to negotiate from a hostile perspective than to do so from a perspective of two countries that want to work together," he added in brief statements from Casa Rosada after the meeting between President Carlos Menem and U.S. Vice President Al Gore.

Granillo Ocampo said that the Menem administration "is very interested in the approval" of this law on pharmaceutical patent rights, which is currently being discussed in Congress.

"We believe patent rights must be recognized. We are also discussing the way in which national interests must also be taken into consideration," the diplomat said.

Making a balance of his work, he pointed out the strengthening of the national image and a greater understanding between Argentina and the United States.

"Several problems that were harming our relations have been solved, we have obtained important visits, and all this is positive for the five months I've been in my post," Granillo Ocampo said.

Menem on Pharmaceutical Patents, Labor Law, Thatcher Visit

PY2103211594 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1840 GMT 21 Mar 94

[Text] Buenos Aires, 21 Mar (NA)—President Carlos Menem today left an apparent sensation of confusion over the pharmaceutical patents law insistently claimed by the United States. While he said that without the approval of this law it would be "impossible" for Argentina to join the North American Free Trade Agreement (NAFTA), he at the same time played down the idea that the delay in approving the law would dramatically influence things, considering that all the pressures so far received are but "warnings."

The contradictory concepts became apparent during a news conference given by Menem at Government House a few moments before receiving in his office U.S. Vice President Al Gore, who arrived in Argentina to speak precisely about the need for Argentina to have a law on pharmaceutical patents rights acknowledging the rights of foreign inventions, as well as about the dangers of corruption and drug trafficking.

During the news conference President Menem gave his opinion that approval of a law on pharmaceutical patents rights "does not represent an absolute condition" by the United States for Argentina to access NAFTA, while a little after he added that "in principle there is no possibility that Argentina could join NAFTA if the pharmaceutical patents rights law is not approved first."

Afterward Menem said that the claims and connections between the approval of the law and joining NAFTA "are simply a kind of warning about our relations," noting that "the Argentine Government is doing the same with the U.S. Government regarding agricultural subsidies."

Instead of clarifying the Argentine position regarding this controversial subject, Menem's statements really contributed to generating greater confusion among those who, soon after he made his statements, began to closely read and analyze them.

The president said that the draft law on pharmaceutical patents rights "is one of the promises we made to the U.S. Government two and a half years ago, when Carla Hills was U.S. trade representative," adding that "since then we have been making efforts to get Congress to approve the law."

On another subject, Menem again denied the possibility that the opening up of labor laws will be imposed by decree, and said that the government expects the bill "to be approved by consensus in Congress."

The Argentine president also noted statements by Eduardo Bauza, secretary general of the presidency, that the candidates for Menem's vice president are Vicente Joga, Ruben Marin, and Eduardo Duhalde.

Menem said: "In a party like the Justicialist Party, and in a full democracy, those who decide on the presidential ticket are not the leaders but the party members."

Further on, Menem spoke about former British Prime Minister Margaret Thatcher, saying that "she was too outspoken when she said that Argentina's return to democracy is partly due to her."

He described her statements as "absurd and aggressive," considering them "things one has to listen to and then be silent about, as they make no sense."

"Here we live in democracy and freedom thanks to the Argentine people, and in no way thanks to Mrs. Thatcher," he stated.

Menem said that the Malvinas war "was not the unleashing factor that made Argentina return to democracy and freedom. It was the people's permanent and

constant struggle that made tyrannies lose their validity, here as in any part of the world."

Asked whether Thatcher's presence in Chile would affect relations between Chile and Argentina, Menem said that relations "have never been as good as they are now," adding that relations "at the Armed Forces level are really spectacular."

On another subject, Menem said he does not share the belief of Radical Civic Union leader Leopoldo Moreau, who said that the Constituent Assembly should place all judges on availability status [en comision].

"This is an entirely unwise statement which is not in keeping with the current terms referred to in the Constitution," he said.

As for the medical checkup he will undergo tomorrow at the Buenos Aires Cardiovascular Institute, Menem said it was "routine," adding that "I have had them ever since I came to the presidency."

"The thing is that they are now more significant, following the carotid surgery I underwent last October," Menem stated.

He also said on that on 1 May he will announce during his message to Congress the implementation of a three-year plan that will extend through 1996.

"All the conditions are ready to announce something of this kind through 1996 or perhaps 2000," he said, adding that "we have had a zero inflation rate since last year."

Menem then said that he was aware of the charges by nun Martha Pelloni regarding the alleged sale of babies in Corrientes Province.

He said that "a charge of this kind, in which several organizations are mentioned, is worrisome" adding that "the subject is being investigated."

'Ambiguity' in Menem's Comments on Patents Law Clarified

PY2103213994 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1940 GMT 21 Mar 94

[Text] Buenos Aires, 21 Mar (NA)—An official source said today that any ambiguity in President Carlos Menem's concept of the pharmaceutical patents law and the conditions for joining NAFTA "is in appearance only."

The source admitted that in Menem's comments before meeting with U.S. Vice President Al Gore "some kind of misunderstanding could have occurred," while declaring that Menem had been referring not only to joining NAFTA as such, but also to its prior approval by the U.S. Congress, which will occur in the middle of this year.

The source also said that "the approval of the patents law this year will be solely a gesture of Argentine good will toward the U.S. congressmen," and that "within two years, however, the approval of that law will be an essential condition for joining NAFTA."

This explanation was necessary because Menem believes the approval of the patents law "does not represent a full condition" for joining NAFTA, while in private he said that without that law "it would be impossible" to imagine Argentina becoming a member of NAFTA.

Gore's Visit to Buenos Aires Ends; Communique Released

PY2103223694 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2010 GMT 21 Mar 94

[Text] Buenos Aires, 21 Mar (NA)—U.S. Vice President Albert Gore this afternoon concluded a visit of slightly over 15 hours to Argentina. During the visit he met President Carlos Menem to analyze, among other issues, the official draft bill on pharmaceuticals patents and the steps being taken to prepare for the Americas Summit to be held in Miami in December.

The number two man at the White House—who has visited Argentina within the framework of a mini-tour of South American countries, including stopovers in La Paz and Brasilia—completed this morning a heavy agenda with a meeting with Foreign Minister Guido Di Tella and a speech at the opening ceremony of the First World Conference on Telecommunications Development, which is being held in Buenos Aires.

At the end of the almost one-hour meeting between Menem and Gore, the Press Secretariat released a short communique pointing out that the visiting official "again praised Argentina's recent economic achievements and President Menem's personal commitment to the approval of the law on patents protection."

No other official reference was made to the pharmaceuticals patents bill, although diplomatic sources have admitted that the issue was one of the central topics discussed at the meeting. Emphasis was also given to antinarcotics legislation and the role performed by Argentina in the "peace missions" organized by the UN Security Council.

According to the communique released by the secretariat headed by Raul Burzaco, the U.S. vice president congratulated Menem for "his commitment to the democratic institutions, his efforts in favor of essential economic reforms, his commitment to supporting the international nonproliferation norms, and the constructive role played by Argentina as a member of the UN Security Council."

The communique reported that Gore praised President Menem's proposal to create a humanitarian aid contingent within the UN framework, which would be called the "white helmets."

The note also reported that one of the main issues discussed by the two presidents referred to details of

steps being taken to prepare the so-called Americas Summit, which has been scheduled for December in Miami.

The note stated: "President Menem expressed satisfaction over President Clinton's invitation. The two leaders discussed some general issues related to this summit, including democracy, good administration, trade, and investment."

About Argentina's possible admission into the North American Free Trade Agreement (NAFTA), the communique only reported that the two officials discussed ways to intensify trade ties between the two countries in the light of the recent ratification of the treaty signed by the United States, Mexico, and Canada. It did not mention that the United States allegedly conditions this admittance to approval of the patents law.

The issue, however, was discussed, and Menem himself pointed out the importance of recognizing the intellectual property of medicines when he admitted to journalists that this issue is a central element in U.S.-Argentine relations.

In short comments made at the Hall of Busts of the Government House, Gore said that the meeting with Menem "was profitable, because it had to do with topics of interest to both countries."

"We are equally concerned about improving our peoples' standard of living," Gore said. He also expressed his "admiration for President Menem's leadership."

The U.S. vice president arrived at Casa Rosada at 1035 amid intense security, which included the deployment of almost 100 men inside and outside the government house.

Menem received the visitor at the entrance to the White Hall. He was accompanied by Minister Di Tella, State Intelligence Secretariat head Hugo Anzorregui, Antinarcotics Struggle Secretary Alberto Lestelle; and Argentine Ambassador to the United States Raul Granillo Ocampo.

Gore was accompanied by a reduced entourage comprised of Alexander Watson, assistant secretary of state for inter-American affairs; Richard Feinberg, national security senior director for inter-American affairs; and U.S. Ambassador to Buenos Aires James Cheek.

'Suspicious' Cars Near U.S. Envoy's Residence Were False Alarms

PY2103140194 Buenos Aires Radio Nacional Network in Spanish 1330 GMT 21 Mar 94

[Text] Two cars parked near the U.S. ambassador's residence in this capital caused concern among the police forces in charge of the security of U.S. Vice President Al Gore. The police bomb squad verified that both cases were false alarms.

The bomb squad acted a little after 0830 today when the police considered suspicious the presence of a Renault 18 pickup on Libertador Avenue with a flat tire. After a thorough check the police verified it was only a false alarm. A police tow-truck removed the car from near the ambassador's residence.

Soon afterward, the bomb squad returned to investigate a white Renault 12 parked on Libertador Avenue, 80 meters from the ambassador's residence and which had also called the attention of the police. After inspecting the car, the police verified that this was also a false alarm.

Arrest of Tucuman Riots Masterminds Ordered

PY2103173394 Buenos Aires CLARIN in Spanish 19 Mar 94 p 11

[Excerpt] Tucuman—While the provincial Congress held an emergency session to condemn the attack against it by a group of workers of La Florida Sugar Mill, Judge Alfonso Zottoli ordered the arrest of Miguel Angel Brito, one of the Tucuman CGT [General Confederation of Labor] secretary generals; Jorge Gonzalez, secretary general of La Florida Mill labor union, and Enrique Romero, local Justicialist Party leader who hopes to occupy a seat in the Tucuman Congress. These three are considered the masterminds of the incidents which took place on 17 March. [passage omitted]

Union Leaders Involved in Incidents Give Themselves Up

PY2103191494 Buenos Aires Radio Nacional Network in Spanish 1600 GMT 21 Mar 94

[Text] Two Tucuman union leaders have given themselves up. They are accused of provoking disturbances.

Just before noon they began to testify before Prosecutor Esteban Jerez, having given themselves up and ending an intense 3-day police search.

Buenos Aires Province Expands Satellite Network

PY1803213094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1906 GMT 17 Mar 94

[Text] La Plata, 17 Mar (NA)—Today Buenos Aires Governor Eduardo Duhalde presided over the signature in La Plata of a decree establishing the expansion of the satellite informatics network for all of Buenos Aires Province.

Duhalde said: "With this new system, the farthest little school in the province will have access to databases and libraries not only in La Plata, but also in the rest of the country and abroad."

He added: "The system, however, is not limited to this sort of use but also will allow 127 counties to have fluid and direct intercommunication with the Provincial Civil Registration and Land Surveying. This is indispensable

to save time on paperwork the people who live in the province's interior may have to make."

The governor explained: "Thanks to an agreement signed with the IMPSA [Pescarmona Metallurgic Industries Inc.] S.A. company we are not paying more to put this new system into operation than we were for the services we already had been receiving."

Duhalde urged the mayors attending the signing ceremony to hire computer experts so each county can make the best use possible of the "benefits and possibilities offered in the field from now on."

Concluding, the governor said: "This new system is really revolutionary and will allow all Buenos Aires Province residents, no matter what county they live in, to access information in any field they want to."

Funds Transferred to Catamarca To Alleviate Crisis

PY1803192994 Buenos Aires PAGINA/12 in Spanish 15 Mar 94 p 8

[Article by Daniel Victor Sosa]

[Excerpt] The Economy Ministry will transfer 50 million pesos to Catamarca to alleviate the effects of a very hard adjustment plan by which the province should eliminate, in two years, the public accounts in the red, which currently stand at $75 million annually. Deputy Governor Simon Hernandez has told PAGINA/12 that the commitments that were assumed under Decree 349, signed by President Carlos Menem and Labor Minister Armando Caro Figueroa, "will entail no dismissals." However, a great many of the 23,000 provincial public servants are expected to be transferred through the sale of public enterprises.

The decree sets forth that the improvement of the province's fiscal and financial situation and the structural reform of the public sector will be implemented "in keeping with the economic policy guidelines that the national government has adopted on the subject." In this regard the Economy Ministry will in the next few hours transfer Treasury bonds for a nominal value of 70 million pesos (the difference with the figure that the province will actually receive stems from the actual value of the bonds).

Acting Governor Hernandez—Governor Arnaldo Castillo is on vacation—said that the nation's contribution "was the condition we imposed for signing the fiscal pact. Another requirement that the Economy Ministry is fulfilling is the implementation of an investment program for 120 million pesos. [passage omitted]

1993 Trade Deficit Surpasses Estimate by $1.2 Billion

PY1803213494 Buenos Aires BUENOS AIRES HERALD in English 18 Mar 94 p 3

[Text] The Argentine trade deficit was nearly $3.7 billion in 1993, considerably more than the 2.5 billion that had been estimated by the Economy Ministry in its three-year plan "Argentina in growth."

These figures, which were released yesterday by the INDEC [National Institute of Statistics and Census] census bureau, also show that 1993's deficit exceeded the previous year's deficit of $2.6 billion by some $1.05 billion.

Last year's deficit is evident from comparing total imports, which were $16.79 billion, against total exports, which totalled $13.09 billion.

Economy Minister Domingo Cavallo insists that these figures aren't alarming if you consider the increased amount of capital goods that are being imported.

According to Cavallo this trend means that companies are modernising and bringing their technology up to world standards.

During 1993 the purchase of capital goods increased by 33 percent, going up from $3.1 billion to $4.12 billion.

Concerning exports manufactured goods increased by 29.8 percent, fuel and energy by 13.1 percent while the export of raw materials dropped 6.5 percent.

As to imports consumer goods coming into the country increased by 10 percent, spare parts by 8.4 percent, cars by 7.1 percent while 7.1 percent less fuel was imported.

Argentina's main suppliers were: the United States $3.86 billion-worth of goods, Brazil $3.57 billion, Germany $1.02 billion and Italy $980 million.

Argentina's main markets abroad were: Brazil which bought $3.57 billion worth of Argentine goods, the U.S. $1.273 billion and Holland $1.270 billion.

Defense Minister Views U.K. 'Lifting' of Arms Embargo

PY2103135994 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2113 GMT 20 Mar 94

[Excerpts] Buenos Aires, 20 Mar (NA)—Defense Minister Oscar Camilion said in Chile today that "the inclusion of Argentine troops in the UN peace-keeping forces in Bosnia and the fact that our troops must carry arms equivalent to those of other nations tacitly imply the lifting of the United Kingdom's arms embargo against us."

Camilion confirmed that a Argentine Army company of 150 men will leave "as soon as possible" for Bosnia-Herzegovina because "it is important for men of peace to militarily support the consolidation of peace in that region."

The defense minister is in Chile to participate in the Eighth International Aeronautics and Space Fair where the Cordoba Military Planes Factory is represented with various products.

Camilion will visit this year's fair, which is organized by the Chilean Air Force, where he will probably meet with his counterparts from other Latin American nations.

Camilion met yesterday with his Chilean counterpart Edmundo Perez Yoma, who was sworn in recently. The Argentine minister considers "the contact very satisfactory. It constitutes the political event of this trip." [passage omitted]

Asked about an eventual change of the arms balance between Argentina and Chile considering Margaret Thatcher's husband and son work in the arms business, Camilion said Chile's relations with the United Kingdom "do not include any arms sales that could affect commerce with our country."

Camilion said he did not have any news about the removal of mines on the Malvinas Islands, and again ruled out the idea of using Argentine personnel for the task.

Camilion traveled to Chile yesterday. He was accompanied by Juan Paulik, Air Force general staff chief, and other high ranking Air Force officers. [passage omitted]

New International Economic Relations Secretary Appointed

PY1903174294 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2248 GMT 18 Mar 94

[Text] Buenos Aires, 18 Mar (NA)—The Foreign Ministry announced tonight that Jorge Campbell will be sworn in on 20 March as the new secretary for international economic relations. He replaces resigning International Economic Relations Secretary Hector Gambarotta.

Foreign Minister Guido Di Tella accepted Gambarotta's resignation and promptly appointed engineer Jorge Campbell to this post. Campbell has headed twice the Foreign Trade Undersecretariat, and in 1991 he was appointed head of the Integration Undersecretariat in the president's office.

Brazilian Ambassador Views Relations With Argentina, NAFTA

PY2103155294 Buenos Aires LA PRENSA in Spanish 17 Mar 94 Economic Section p 5

[Interview with Brazilian Ambassador to Argentina Marcos Castriota de Azambuja by Conrado Etchebarne Bullrich at the National Union Club; date not given]

[Text] [Etchebarne] Is Brazil concerned about the possibility that NAFTA might spoil its relations with Argentina?

[Castriota de Azambuja] Argentina and Brazil have permanent cultural and geographical links. There are many difficulties. The more we trade and develop our relations the greater the possibility of problems. It is very difficult to have diplomatic problems with Nepal or other nations with which we have little contact.

Bilateral relations do not require a lot of imagination. It is determined by geography. There have not been any conflicts between our nations for over a century now. South America is almost the only region in the world where a 100-year-old map is still good because borders have not changed.

We were adversaries in colonial times and rivals throughout the 19th century. We tried cooperation in the 20th century and we are now partners. The objective when we were rivals was to put hurdles in the other nation's path. We would make access, paths, and communications difficult. Now we are partners. There is a spirit of partnership [preceding words in Latin]. The purpose now is to see that the other party is doing well.

It is also true that we began a difficult year and that our problems are real. Argentina can talk with the United States about joining NAFTA but cannot negotiate its entry by itself as long as it is a member of Mercosur [Common Market of the South]. The fact that Argentina is enjoying the prestige of being invited to join NAFTA does not hurt us. For the time being Brazil is not interested in NAFTA. We think that we must follow the path opened by President George Bush through the Rose Garden Agreement. This agreement is also known under the formula 4+1 and was conceived within the framework of the Americas Initiative.

[Etchebarne] Would Brazil's proposal to create a free trade zone in South America also hurt Mercosur?

[Castriota de Azambuja] The train of integration goes through Mercosur. Brazil's absolute priority is Mercosur's customs unification. Negotiations with other South American countries refers to a free trade zone, and Argentina has being invited to join Brazil in the negotiations.

[Etchebarne] Will there be agreement on external duty levels?

[Castriota de Azambuja] Of course. In June we will agree on an external duty level. The humility earned through defeats caused by the failure of policies implemented through the 1980's makes agreement between the two countries easier. Brazil thought it could be self-sufficient. That was the dream, the national objective. To import was almost tantamount to treason. We contracted several bad bets during the 1980's which destroyed the Brazilian dream. It was thought oil prices would increase. For strategic reasons we purchased oil from Iraq instead of from our neighbors. We bet heavily on African trade but the matter did not work out. Then we bet heavily on protectionism.

[Etchebarne] What about relations with the United States?

[Castriota de Azambuja] The United States has its own master plan [preceding two words in English] based on

NAFTA, but Brazil cannot accept negative preferences. Mexico's digestion will not be easy. The country has serious problems, as the kidnapping of the Banamex [National Bank of Mexico] president shows. It seems Chile will be the next country to join NAFTA because it is the only country that has done everything it had to.

The Americas summit in December will be important for defining our relations with the United States.

Deal Increases Spanish Airline's Share in Aerolineas

PY1803212694 Buenos Aires BUENOS AIRES HERALD in English 18 Mar 94 pp 1, 3

[Excerpt] (NA-DYN)—The Argentine government and Iberia reached an agreement yesterday [17 March] on the future of Aerolineas Argentinas (ARSA) whereby the Spanish airline's shareholding is increased to 85 percent.

At a joint press conference attended by ARSA and Iberia executives, Economy Minister Domingo Cavallo said that the Spanish airline has made a 500 million dollar capital injection of which 100 million will go to reserves and the remaining 400 million towards settling accrued debts.

The Argentine government in turn will hang on to 15 percent of the share packet of which 10 percent has been assigned to the employee shareholding programme.

The government will also authorize ARSA and any other airline that operates in Argentina to run its own aircraft servicing facilities and will restrict the availability of non-regular flights.

There will be no restriction on the number of flights on domestic routes.

ARSA will continue as a national flag carrier, a condition which the government has undertaken to defend should any protests arise from countries with which it has bilateral aerocommercial agreements and who object that Iberia owns more than 49 percent of ARSA.

At the same time the government is able to maintain its rights to veto even though its shareholding could sink below the five percent stipulated in the privatization process.

ARSA however no longer has the power to veto route management decisions or the investment plan.

After three years and four months of intrigue and failed discussions, yesterday's deal ironically takes the whole privatization process back to its first stage. The new share distribution is exactly the same as the original distribution made when ARSA was first privatized. [passage omitted]

Malaysian Satellite Plans Conflict With U.S. Over Orbital Slot

BK2203081194 Kuala Lumpur Voice of Malaysia in English 0600 GMT 22 Mar 94

[Text] Malaysia's bid to launch its first satellite has encountered a hitch as Intelsat, a United States-based satellite operator, has also applied for the same orbital slot. Energy, Telecommunications, and Posts Minister Datuk Sri Samy Vellu said Intelsat has applied to the International Telecommunications Union [ITU] to position its satellite at the 91.5 degree east orbital slot just as Malaysia had done for its Malaysia East Asia Satellite [Measat] 1. He said this when addressing the world telecommunications development conference in Buenos Aires, Argentina today. The nine-day conference is organized by the ITU. The text of his speech was faxed to the national news agency BERNAMA. Datuk Sri Samy Vellu said Malaysia had objected to Intelsat's bid to place its satellite in the same orbital slot to the Radio Communications Bureau as it would cause harmful interference to Measat.

Bolivia

Commentary Views 'Lessons' of 'Brief' Gore Visit

PY2203033994 La Paz Television Nacional Network in Spanish 0100 GMT 22 Mar 94

[Commentary by announcer Carlos Mesa]

[Text] The brief visit [by U.S. Vice President Al Gore]—like all visits by U.S. personalities who never have enough time for a small country like ours, or even for countries like Argentina and Brazil, for which there are but a couple of hours in the middle of a huge show—has left us some lessons.

The U.S. vice president—in this regard we agree with some of the viewpoints that were raised by the press today—probably gave us two messages. On the one hand, the U.S. position on the antinarcotics fight has not budged an inch. There have been neither essential nor substantive changes between the Bush and Clinton administrations.

The U.S. ambassador soon realized that the coca leaf garland [given to Gore upon getting off the plane] was a hot issue, and asked the vice president to get rid of it. Gore wore it for barely a few seconds. This clearly shows the U.S. position. Drug trafficking, coca, and production remain vital and essential and, unfortunately, decisive factors in bilateral relations.

Yet a second, positive message, in which we may find the most important point of this visit, is that sustainable development, the environment, and the preservation of ecological balance in a region that is so important as the Amazonas, is of the utmost importance for the United States, and especially for the U.S. vice president.

In Santa Cruz, Gore ratified his support for the construction of a gas pipeline to Sao Paulo, Brazil, for conveying clean energy for that very important Latin American city. He also supported a set of projects that could become an option.

I do not know whether the development of ecology, or rather I should say the preservation of the environment, will become as important as the coca issue. I don't believe so. Yet it is a point on the agenda that can produce some changes, or give a different touch to this dreadful and conditioned relation that coca has produced between Bolivia and the United States.

Ties Between Coca Growers, Drug Trafficking Probed

PY1903011894 La Paz PRESENCIA in Spanish 1 Mar 94 p 7

[Text] Social Defense Secretary Mario Soliz admitted on 28 February that about 60 peasants who were growing coca were detained in the 26 February clashes and subsequently released. The peasants are under investigation by the Special Antinarcotics Force (FELCN) over their alleged ties to drug trafficking.

Soliz said the measure was taken after the intelligence services determined that the peasant mobilization was headed "by agitators," allegedly trained by drug traffickers who intend to create problems for the executive branch authorities.

Soliz noted: "Yes, there obviously exists some type of link. Records (of the detainees) have been prepared and the intelligence services will surely determine who these people are. If they have any ties to drug trafficking, these people will be called to testify at FELCN."

He said the infiltration of drug traffickers in the assemblies and meetings of coca growers aims to prevent the growers from understanding the alternative development program's benefits for Chapare's peasant communities.

He expressed optimism, however, that the interrupted negotiations with coca growers will be resumed on 3 March. Soliz added: "We understand they will attend the meeting, and in this regard we want to use all our ability for dialogue to see if they are sincere in resuming the dialogue and fulfilling the law."

He said the task of eradicating illegal coca in Chapare will continue in accordance with the plans of national officials and in strict compliance with the law. He announced that the Social Defense National Secretariat installed a permanent office in that region with experts and under secretaries who will contact the real producers at least five days each month to promote alternative projects.

Soliz also reported that several coca growers' leaders are constantly threatening the peasants who want to join the coca replacement plan, and this clearly shows the political handling of the coca problem.

Ω President Responds to Guarani Demands

94P20537

[Editorial Report] Bolivian dailies La Paz PRESENCIA and Santa Cruz EL MUNDO of 29 January report that on 28 January President Gonzalo Sanchez de Lozada and Vice President Victor Hugo Cardenas traveled to Camiri, in Santa Cruz Department, to commemorate the 102d anniversary of the defeat of the Guarani nation at the Battle of Kuruyuki. During the celebrations they met with 4,000 Guaranis and responded to their demands for education and territorial recognition.

The president, according to 29 January EL MUNDO, traveled to Camiri with other high officials to launch his nationwide Educational Reform Program and, by establishing the first Guarani Educational Council, he legally recognized the Guarani bilingual education program. Launched in 1992, this program involves 30 schools and offers bilingual instruction to children as well as adult literacy classes. It operates under the auspices of UNICEF and other nongovernmental organizations such as the Peasant Research and Promotion Center (CIPCA) and the Social Investment Fund (FIS). It is estimated that over 5,000 people have taken advantage of the program so far. [La Paz PRESENCIA "Reportajes" Section 23 Jan]

La Paz daily PRESENCIA of 29 February reports that during the visit, Vice President Cardenas, Bolivia's first indigenous vice president and a prominent advocate for indigenous rights, declared that "the existence of slavery in the Bolivian Chaco is a disgrace to all Bolivians," referring to the estimated 10,000 Guaranis living in indentured servitude on large estates in Chuquisaca and Tarija Departments. There are also "free" Guarani communities in Santa Cruz Department that maintain a tenuous hold on their communal lands, as spotlighted in a 16 January PRESENCIA special investigative report (LATIN AMERICA DAILY REPORT 18 Feb).

Santa Cruz daily EL MUNDO of 29 January reports that in one of the first steps to combat this situation, President Sanchez de Losada officially announced a resolution that would make bilingual education in what the press describes as "captive areas" compulsory. Large landholders of Tarija and Chuquisaca would be obligated to build schools on their estates for their workers. The schools would come under the supervision of the Secretariat of Education. The FIS, for its part, would give special attention to the improvement and creation of educational infrastructure for the Guaranis. Finally, the Guarani Higher Institute for Bilingual Intercultural Education would be established. According to the 22 January issue of PRESENCIA, Maria Calvo, under secretary for ethnic affairs, said that the extension and consolidation of bilingual education into "captive" areas is one of the most important steps taken to mobilize those Indian groups who remain in illegal servitude. She

acknowledged that this task will not be easy because of opposition by landlords who have accused "literacy campaign workers" of preparing "an armed revolution" and of "fomenting a workers uprising," as reported by PRESENCIA "Reportajes" section of 23 January.

Other reactions to PRESENCIA'S report on slavery in the Chaco came from Human Rights Commission officials in the Chamber of Deputies who resolved to take concerted action with government and nongovernmental organizations to end these human rights abuses, according to 22 January PRESENCIA. A few days before the 28 January presidential visit to Camiri, Guarani People's Assembly (APG) spokesman, Guido Chumiray, was reported by the 24 January issue of PRESENCIA to have met with the Secretary for Ethnic Affairs Ramiro Molina to review a list of demands to be submitted to the president at that time. First on his list, the paper said, was the "legal recognition of Guarani territory" to halt the tide of confiscations, remedy unequal land distribution, eliminate illegal servitude, and stem migration to the cities. The list also called for the creation of a Guarani Development Fund for the implementation of agricultural projects in the Chaco among the "free" communities. Projects would include irrigation systems, agricultural research centers, credit for the purchase of machinery, the rehabilitation of arable land, the purchase of livestock, and marketing promotion. The secretary observed, according to the daily, that the situation of slavery for thousands of Guaranis in the Chaco is a decades-old problem and acknowledged their "subhuman" living and working conditions as well as the extermination and extinction of other Indian groups. He agreed that current land legislation needed to be modified, but that it should be done in coordination with other secretariats and representatives of Indian groups. Following President Sanchez de Lozada's visit to Camiri, PRESENCIA 29 January reported that "with the official establishment of the [Guarani] Council, the government partially acceded to APG demands on the subject of education but maintained a discreet silence with respect to the other demands submitted in La Paz."

Roundup of Economic Reports

PY1803224794

[Editorial Report] The following is a compilation of reports on economic activities in Bolivia monitored through 17 March.

The annual balance of the mining and metal working industries issued by the Mining Secretariat shows that mining exports dropped 12 percent in 1993 compared with the previous year. Sales abroad totaled $366 million. (La Paz LA RAZON in Spanish 1 Mar 94 p B4)

The revenues of the six state-run companies that will be privatized amounted to $1.060 billion in 1993. Bolivian Government Oil Deposits accounts for 59 percent of this total; Lloyd Boliviano Airlines 10 percent; and the remaining 30 percent is distributed among the National Railway Enterprise, the National Telecommunications Enterprise, the National Electricity Enterprise, and the National Smelting Enterprise. (Santa Cruz EL MUNDO in Spanish 1 Mar 94 p 3)

The Minera del Sur Inc. Company, Comsur, this year will invest $30 million, including a $12.3 million credit recently granted by the World Bank, to promote mining operations in many parts of the country. Comsur, whose main shareholder is President Gonzalo Sanchez de Lozada, is planning to invest $26 million in the Bolivar mine in Oruro. (Santa Cruz EL MUNDO in Spanish 1 Mar 94 p 1)

The Andean Development Corporation approved two loans for $98 million for Bolivia. A $38 million loan was approved for the improvement of highways. Another $60 million loan was approved for financing investment projects and operating capital to foster productive activities in the farming, livestock, agro-industrial, industrial, mining, tourism, and services fields. (La Paz Radio Fides Network in Spanish 1100 GMT 17 Mar 94)

Miguel Cirbian, Bolivian Government Oil Deposits exploration manager, reported that the new Los Kusis oil field discovered in Santa Cruz can initially produce 150 barrels per day. The field also can produce natural gas. (La Paz LA RAZON in Spanish 2 Mar 94 p B2)

Brazil

Science Agreement With U.S. Expected To Be Reactivated

PY2103225394 Sao Paulo FOLHA DE SAO PAULO in Portuguese 20 Mar 94 Section 1 p 6

[Article by Carlos Eduardo Lins da Silva]

[Text] Washington—U.S. Vice President Al Gore, Jr. today begins a lightning visit to South America. In less than 48 hours he will visit Bolivia, Argentina, and Brazil. In Brasilia, where he will stay for six hours tomorrow evening, he will meet with President Itamar Franco, attend a meeting with Brazilian society representatives, and have dinner with Minister Celso Amorim.

That is very little time to make any decision of great impact. In any case, in order to avoid making his presence in the country a mere matter of protocol, Brazilian diplomats are earnestly working to give it some meaning, and it is almost certain that one of the results of his visit will be the reactivation of a science and technology agreement between the two countries that has been paralyzed for years.

The agreement never went beyond a piece of paper because of several bilateral litigations in the past few years in this field (informatics and intellectual property rights). Given that the patents rights issue was solved last month and the U.S.-Brazilian agenda cleared in that subject, it is very probable that after the meeting between Gore and Franco the decision to activate the agreement will be announced.

Another sure subject of conversation between Gore and Franco is the Americas Summit scheduled for December in Miami. This is a very bad date for Brazil, which will be represented by a president (Itamar Franco) who has hardly a few weeks of government ahead of him. It will be the first meeting of continental chiefs of state since the Punta del Este meeting in 1967, and the first summit in history with the presence of presidents only elected in free elections (the only two American countries that do not fit this definition—Cuba and Haiti—were not invited).

Franco, Gore Sign Letter of Intent on Science Cooperation

PY2103235794 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 21 Mar 94

[Text] At this very moment at Planalto Palace, President Itamar Franco and U.S. Vice President Al Gore are signing a letter of intent reactivating the science and technology agreement already signed between the two countries. This agreement will allow Brazil to purchase supercomputers specialized in nuclear energy calculations, and also in rocket manipulation.

Since President Bill Clinton's installment a little over a year ago, Al Gore has been the highest U.S. official to visit Brazil.

Article: Gore 'Better Prepared' for Presidency Than Clinton

PY2103190094 Sao Paulo FOLHA DE SAO PAULO in Portuguese 20 Mar 94 Section 1 p 6

[Article by Carlos Eduardo Lins da Silva from Washington]

[Text] Many people in the United States believe the Democratic Party 1992 presidential ticket was perfect, except for one detail: It should have been inverted, with Al Gore as the presidential candidate and Bill Clinton as the vice-presidential candidate.

All objective perception indicates that Gore is better prepared than Clinton to exercise the presidency of the United States. He has an excellent academic curriculum in the areas of law and philosophy, he served with the Army in Vietnam—even though he always opposed the presence of the U.S. military in Southeast Asia—he is an excellent speaker, he has never been accused of underhand business deals or of marital unfaithfulness, he is the son of a powerful and competent former senator, and he places himself in the center of the ideological spectrum.

Gore is the most influential and active vice president in the history of the United States, and he is the natural Democrat successor to Clinton. The president has left him in charge of some of the sectors in which he specialized during his career. In a very short time he has conquered the foreign policy area.

Latin America has become one of the areas in which Gore exercises influence since he decisively helped to guarantee the NAFTA agreement in 1993.

U.S. To Provide Security for Gaviria if Elected OAS Secretary General

PY2103180594 Sao Paulo FOLHA DE SAO PAULO in Portuguese 19 Mar 94 Section 5 p 11

[From the Joyce Pascowitch social column]

[Text] When he assumes as the new OAS general secretary, [Colombian President] Cesar Gaviria Trujillo will be able to relax, knowing he is protected from the Colombian drug cartels.

Once he assumes the post he will be provided the security to which all OAS general secretaries are entitled, but this time supplied by the U.S. Government.

Government To Agree to Principles on Telecommunications

PY1903202094 Sao Paulo GAZETA MERCANTIL in Portuguese 18 Mar 94 p 11

[Article by Maria Helena Tachinardi from Brasilia]

[Excerpt] At the end of the First World Telecommunications Development Conference (WTDC/94) on 29 March, Brazil will sign a letter of principles on the expansion of international communications services. The Brazilian delegation that will attend the conference will be headed by Communications Minister Djalma de Moraes. Moraes, however, will not be present at the WTDC/94 opening ceremony on 21 March.

The conference will be opened by Argentine President Carlos Menem at the Sheraton Hotel in Buenos Aires. During the ceremony, U.S. Vice President Al Gore and ITU [International Telecommunications Union] Secretary General Pekka Tarjanne will deliver speeches. The conference's goal is to develop an overall strategy for telecommunications development for the year 2000.

The letter of principles, which already has been approved at the technical level by 183 member countries, is one of the ITU projects for the future. The ITU is a specialized UN agency that already has formed an international working group that deals with the reformulation of the international frequencies chart. Diplomat Flavio Sapha—head of the communications minister's office—reported that another of ITU's concerns is to organize the frequencies chart for cellular and satellite communications. He will leave for Buenos Aires this weekend accompanying the delegation comprised of Telebras [Brazilian Telecommunications, Inc.] President Adyr da Silva and members of the Foreign Ministry's Division for Transportation, Communications, and Services.

The Buenos Aires meeting will be in preparation for the Kyoto (Japan) plenipotentiary conference to be held in September. Brazilian entrepreneurs, including members

of the Alcatel and Motorola companies, also will attend the Buenos Aires meeting, but only as observers, Sapha said. [passage omitted]

Impact of Increase in U.S. Interest Rates Assessed

PY1703220394 Sao Paulo GAZETA MERCANTIL in Portuguese 10 Mar 94 pp 1, 22

[Article by Celso Pinto from Sao Paulo]

[Excerpts] Since interest rates on the U.S. market rose on 4 February, the international market for Latin American securities has shrunk dramatically. Interest rates took a jump in absolute and relative terms, and international and Brazilian institutions had enormous losses.

After the initial panic, the market has stabilized in the past few days, but the loss was inevitable. It now remains to be seen whether it was only a regular adjustment of a market that has experienced an extraordinary rise for more than one year, or whether some basic conditions underwent lasting changes.

The manager of one of New York's most important international investment funds told GAZETA MERCANTIL that the market will recover "slowly and partially." He expects a "substantial drop" in Eurobonds and other securities offered by developing countries, including Brazil, for this year. He believes costs will rise and the financial flow reduction might affect stock market investment. [passage omitted]

Profits on debt certificates (the "Brady's") and Eurobonds from developing countries already have jumped significantly. The crisis was triggered by the increase in U.S. interest rates. Treasury 30-year securities, the market's most sensitive indicator, which were paying 6.3 percent at the end of January, jumped to 6.9 percent (on 9 March they were paying 6.85 percent).

Since T-bonds are the gauge, the basis of comparison for the market, it was only natural that the yield on all securities should have edged up. What happened, however, is that the increase was much higher than proportionate. Or in other words, the "spread" [preceding word in English] on securities from Latin American countries vis-a-vis T-bonds shifted gears.

This is obvious comparing quotations published by the U.S. investment bank Bear Stearns on 21 January, before the crisis, with the current ones.

In Brazil's case, the spread of bonds on interest in arrears (IDU [expansion unknown]) increased from 477 points to 600, the "exit bonds" [preceding two words in English] from 383 to 488, and the "new money bonds" [preceding three words in English] from 434 to 565. For Argentina the damages was even greater because the FRN's [expansion unknown] spread jumped from 302 to 478. Even the spread on Mexican "discount bonds" went from 160 to 232 points.

This increase also affected the quotation of Latin American Eurobonds in the secondary market. The "spread" on several Brazilian papers increased from 10 to 30 points. Bonds with longer maturity dates, in general, suffered even more. The spread on the bonds issued by the Argentine Republic worth $1 billion, whose maturity day is now a little less than 10 years away, increased from 238 to 307 points.

In Brazil's case, a sector of the market believes the announcement of an agreement with the IMF might push prices up. The fact, however, is that during the past the arrival of some good news such as the approval of the Social Emergency Fund and the URV [Real Value Unit] helped cushion the increase compared to other countries such as Argentina and Venezuela, but did not avoid it. Combined rates on "Brady"-type papers show an average drop from 20 percent (Bloomberg) to 15 percent (West Merchant Bank) due to the crisis.

This is not the first crisis that has shaken the emerging markets. During the last quarter of 1992, Brady papers lost approximately 10 percent of their value due to the combination of the Brazilian political and economic crisis and the excess offer of Mexican papers. What is more worrisome today is the nature of the crisis.

International investors' renewed interest in the emerging Latin American markets was prompted by the combination of various factors, among which is the recovery of their economies. Anyhow, everybody agrees that a crucial factor was the major drop in U.S. interest rates, thus making them unattractive. Investing institutions such as the pension funds that must pay their clients a minimum 7 percent interest a year were forced to seek more risky alternatives that are, consequently, more profitable.

What made the bonds market drop (increasing the profitability of their papers) was not only the increase in U.S. short-term interest rates. The drop was caused by the signs that the very long cycle of low and dropping rates probably has ended. U.S. rates have increased because the rhythm of activities has been much greater than expected and this starts to push inflation up. As a banker stated: "Nobody says whether U.S. interest rates are going to increase; people only talk about how much and when they will increase." [passage omitted]

Federal Police Arrest Italian Mafioso in Rio de Janeiro

PY2203034894 Rio de Janeiro O GLOBO in Portuguese 17 Mar 94 p 19

[Text] Vicenzo Buondonno, a 37-year-old Italian and member of the Mafia, was arrested on 15 March by agents from the Maritime, Air, and Border Police Precinct (DP-MAF) of the Federal Police. The warrant for his arrest was issued by the Federal Supreme Court at the request of the Italian Government, which has filed for his extradition. Buondonno, who is linked to the Camorra of Naples, was in charge of receiving drugs

from other South American countries and shipping them to Europe as part of the so-called "Spaghetti Connection."

Buondonno, known as Enzo, is the son of Rosario Buondonno, one of the leading members of the Camorra. Edson Antonio de Oliveira, Federal Police director for Rio de Janeiro, reported that Buondonno had been spotted in Rio de Janeiro four months ago. He was subsequently kept under surveillance by the police until the warrant for his arrest was issued.

The mafioso was arrested when he was going to his apartment on 26 Barata Ribeiro Street, in the Copacabana district. The three Italians who accompanied him were released after being questioned by the Federal Police. Buondonno is one of the owners of the Baroni-Fasoli Restaurant located on Jangadeiros Street, in the Ipanema district. De Oliveira stated that Italian Mafia members "launder" drug money through their chains of restaurants—hence the name "Spaghetti Connection."

The Federal Police also discovered that Buondonno has links with at least two other Italian Mafia members—Humberto Amaturo, who broke away from the Brasilia Federal Police but was recaptured in Bolivia, and Marco Pugliese from the Sacra Corona Unita, who was taken into custody in Rio de Janeiro.

Because of the friendship between Buondonno and Pugliese the police are investigating the possibility of Italian Mafia groups having joined forces to facilitate drug trafficking. Buondonno may have something to do with the murder of Roberto Farina, one of the owners of the jewelry shop at the Copacabana Palace Hotel, who was killed in 1991.

UN Asks Government To Report on Precursors, Drug Use

PY1903183794 Sao Paulo FOLHA DE SAO PAULO in Portuguese 18 Mar 94 Section 3 p 2

[Text] Brasilia—The United Nations estimates that between 70 and 80 percent of the chemical substances used in processing cocaine in Peru and Bolivia are either manufactured in or shipped through Brazil. The statement was made yesterday by Herbert Schaepe, secretary of the UN International Board on Narcotic Drugs [Junta Internacional de Estupefacientes da ONU].

Schaepe requested that Brazilian Justice Minister Mauricio Correa report on Brazilian compliance with three agreements on the control of drug production and use.

Noncompliance with these international agreements will make it difficult for Brazil to obtain resources to fight the drug trade. According to Schaepe, the opinion of the Board is important for the disbursement of these funds.

The Board—which is headquartered in Vienna, Austria—consists of 13 member countries, which will evaluate the Brazilian Government's reports.

The United Nations is concerned about Brazil having become a route for cocaine substances, as well as about the consumption in the country of 80 percent of the world production of Fenproporex, a basic appetite suppressant that causes physical and psychological dependence.

Fenproporex is an anorectic amphetamine that is used in Brazil, namely by drug stores filling up prescriptions issued by "obesity doctors" to patients who are seeking to lose weight.

In addition to dependence, Fenproporex causes irritability, depression, and increases the heartbeat. This drug is more dangerous when it is used with other pain relievers.

According to the United Nations, the Brazilian Government is not informing the Board about controls adopted in these two cases.

Justice Minister Correa said that the reports requested by the United Nations will be filed in the next few days. He noted that during the Collor administration the Health Ministry discontinued its controls over use of legal drugs such as appetite suppressants. He said the Brazilian Government is willing to comply with all of its agreements.

Foreign Ministry To Discuss UN Council Expansion With G-7

PY2203025594 Sao Paulo GAZETA MERCANTIL in Portuguese 21 Mar 94 p 5

[Article by Maria Helena Tachinardi from Brasilia]

[Text] The Foreign Ministry will this week begin a series of contacts with industrialized countries, most of them members of the Group of Seven (G-7), to exchange ideas about expanding the UN Security Council and to find out how England, Italy, Sweden, Switzerland, Germany, France, Russian, Japan, the United States, and Canada view the possibility of granting Brazil a seat at the expanded UN Council.

U.S. Vice President Al Gore will meet President Itamar Franco at 1900 on 21 March, when he will sign with Foreign Minister Celso Amorim a protocol modifying the current framework agreement of scientific and technological cooperation between the two countries, thus making relations in this area more complex and aimed at high technology sectors.

Cuban Minister Signs University Cooperation Agreement

PY2203020494 Sao Paulo GAZETA MERCANTIL in Portuguese 21 Mar 94 p 11

[Article by Lidia Reboucas]

[Text] A high-level Cuban Government mission officially signed last week a technological and scientific

cooperation agreement with several Brazilian states. The agreement includes the exchange of teachers, researchers, and students between universities and institutes of the two countries, to expedite the training process in the areas of greatest scientific interest.

The Cuban mission, which was made up of Higher Education Minister Fernando Vecino Alegret, Higher Education Vice Minister Miguel Garrido, International Relations Director Fernando Rojas Avallos, and Matanzas University Rector Angel Vega, visited several Brazilian universities in the Brasilia Federal District, and in the states of Amazonas, Roraima, Rio de Janeiro, and Sao Paulo, to identify areas and possibilities for cooperation.

In the state of Sao Paulo, the mission's visit was coordinated by Roberto Muller Filho, secretary of science, technology, and economic development. Muller accepted the entry of 10 Cuban scientists as visiting professors to carry out research at the University of Sao Paulo (USP), Sao Paulo State University (UNESP), and Campinas State University (Unicamp). The agreement also includes scholarships for Cuban students in Sao Paulo universities for masters degrees and Ph.D.'s, as well as for Brazilian professors from Sao Paulo agricultural technical schools to be trained in Cuba.

The main areas of knowledge for exchange are: molecular biology, civil construction materials, immunology, agriculture and livestock, health, education, physics, genetics, biology, energy, and biotechnology. Vecino said: "The main purpose of the scientific exchange with Brazil is to strengthen the postgraduate studies of Cuban professors."

He explained that Cuba has 46 universities with 24,000 professors, of whom only 20 percent have doctorates. He added: "The goal is that at least 50 percent of that amount get their doctorates."

The Sao Paulo Science and Technology Secretariat will provide additional funds, along with the Sao Paulo Federation to Support Research (Fapesp), to finance the scholarships for the researchers and postgraduate students. Muller reported that the program will start with the arrival of 10 Cuban scientists to carry out joint research, who will get about $1,500 per month.

Cuban Minister Vecino also visited the Sao Paulo State Federation of Industries (FIESP) to evaluate the possibility of the transfer of business technology through associations.

As a result of the visit to the FIESP, a business delegation will visit Cuba in the first half of this year to identify the areas of interest.

PT Presidential Candidate Lula da Silva Leading Polls

PY1803141394 Madrid EFE in Spanish 2107 GMT 16 Mar 94

[Text] Brasilia, 16 Mar (EFE)—A poll on vote preferences for the upcoming elections, carried out by the independent institute IBOPE [Brazilian Public Opinion and Statistics Institute] and published by the newspaper CORREIO BRASILIENSE today, indicates that Brazilian presidential candidate [Luiz] Inacio "Lula" da Silva is leading, with 31 percent of the preferences.

Da Silva, 48, the Workers Party (PT, socialist) leader and a lathe operator, has strong electoral support from poorly educated and poor Brazilians for the general elections of 3 October.

IBOPE polled 2,000 potential voters between 5 and 10 March in various cities in our country, asking them about the presidential candidate they will support in the general elections.

According to the poll Jose Sarney, 64, ranks second in the vote preferences (with 13 percent) while Paulo Maluf, 63, mayor of Sao Paulo and a conservative leader, ranks third (with 10 percent).

Social Democratic Senator Fernando Henrique Cardoso, 62, the finance minister and architect of the economic stabilization program, ranks fourth (with 9 percent).

Da Silva has been fully engaged in the electoral campaign since last year; Maluf has announced he will quit the Sao Paulo mayoralty on 2 April to prepare his candidacy; and Sarney has pledged not to run for president in the next elections.

Even though he has still not confirmed his possible candidacy, Brazilian Social Democracy Party (PSDB) sources guarantee that Cardoso will resign from his post in late March to dedicate himself to his presidential candidacy.

About 100 million Brazilians will elect the president of the Republic, 513 federal deputies, 54 senators, 27 governors, and about 1,000 state legislators in the October elections.

SAE Leader Wants Nuclear Program Open to Private Sector

PY1903202394 Sao Paulo ISTOE in Portuguese 16 Mar 94 p 25

[Article by Mario Chimanovitch]

[Text] The use of nuclear energy is by its nature a controversial issue. It becomes still more controversial when the discussion is about whether the government or the private sector should be in charge of nuclear activities. A document drafted by the Strategic Affairs Secretariat (SAE), to which this magazine had access, has added fuel to the atomic bonfire. SAE Memo No. 109,

dated 11 February and signed by SAE head Admiral Mario Cesar Flores, favors the privatization of certain stages of the nuclear process and opposes the position traditionally defended by the Brazilian military of maintaining absolute government monopoly over the field. The document, which was handed to the SAE under secretary for plans and programs, was drafted to guide governmental action in the constitutional revision. It states: "There is no reason why private concessionaires should not be in charge of mining work, concentrates manufacturing, trade, and many other related activities. The same applies to electrical energy production."

Adm. Flores believes that one of the activities that could be performed by the private sector is nuclear fuel production. In his opinion, the government should only control the most sensitive sectors such as uranium enrichment. Private companies could, for example, participate in uranium mining or import certain components for the final fuel. He points out, however, that the National Nuclear Energy Commission [CNEN], i.e. the government, must preserve "its regulatory, supervisory, and licensing" role. He also suggests that the civilian sector should accompany nuclear activities through the establishment—by the national Congress—of a joint committee. This suggestion is in accordance with another bill proposed by Flores to reorganize the intelligence service, which also would be closely followed by a joint committee established by Congress.

Several countries such as the United States and France have adopted the policy of partially privatizing nuclear projects. Nonetheless, many still criticize Flores' proposal. Professor Bernardino Pontes, who acted as surveyor of the Vienna-headquartered International Atomic Energy Agency (IAEA) for 12 years, said: "The so-called nuclear fuel cycle must remain in Brazilian hands to protect it from international oligopolies." Pontes agrees nonetheless that private enterprises can be more effective in mining. He insists, however, that they should work under CNEN control "because there is a great deal of international greed now that Brazil is beginning to stand out in the extremely select club of countries that have nuclear technology."

In the opinion of Everton Carvalho, vice president of the Brazilian Nuclear Energy Association (Aben), Flores' proposal makes Brazil vulnerable. "The most serious thing is that the end of the monopoly would make it easy for foreign groups to accurately design a chart of our reserves," he said. It is believed that Brazilian uranium reserves total 280,000 metric tons.

Former CNEN President Rex Nazareth, who is a colonel and an engineer, believes the private sector's resources might contribute to reducing Brazilian backwardness in the nuclear field.

Another expert, Brigadier Sergio Xavier Ferolla—who has been director of the Sao Jose dos Campos Aerospace Technical Center and is now commander of the Superior War College—believes the government should give up only its monopoly over uranium exploitation. He includes the nuclear field among those that have "a highly strategic role and should therefore remain under government control on behalf of Brazilian sovereignty and society's interests."

In the eye of the storm, Adm. Flores remains calm and asserts that most of the controversy results from a "misunderstanding." Be as it may, the situation will become hotter this year because Brazil's strategic interests in the nuclear field will be analyzed by the Superior War College. This makes us forecast a new—and more serious—confrontation among those who defend and those who oppose absolute governmental monopoly over the nuclear field.

Students Confront Police at Finance Ministry Demonstration

PY1803141594 Madrid EFE in Spanish 2337 GMT 16 Mar 94

[Text] Brasilia, 16 Mar (EFE)—Police sources have reported that two policemen and 12 students were slightly wounded when demonstrating students attempted to occupy the Finance Ministry in Brasilia today.

The incidents began when some 500 students—who were demonstrating against the government's recent economic measures and against the constitutional reform in the area of the ministry buildings—arrived at the Finance Ministry building.

Instigated by leaders of the National Union of Students (UNE), a group of demonstrators attempted to invade the building of the ministry, which had promoted the economic measures lifting restrictions on the installments paid to private schools and universities.

For approximately 30 minutes the demonstrators confronted 200 military policemen who were guarding the building. A number of windows were broken by the stones thrown by the students.

Two policemen and 12 students suffered injuries of a minor nature, although 8 of the demonstrators did need to be seen at a Brasilia area hospital.

Army Construction Work Helps Government Save Money

PY2003011294 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 19 Mar 94

[Text] Army Minister General Zenildo Gonzaga Zoroastro de Lucena stated in Parana State that the military can build highways and railways in order to help the government economize. The minister visited a railway being built through a partnership agreed on by the state and Army.

In peacetime, Army personnel leave their barracks and change weapons. Some 100 soldiers are building the

remaining 200 km of the Ferroeste railway linking the Parana's main agricultural region with the port of Paranagua.

It was up to the construction company to build it, but the state government canceled the bid and resorted to the Army when it discovered that it would be cheaper.

The construction of the tunnel that is the railway's most difficult segment is an example of the savings. The construction companies raised its cost to $1.8 million. The Army built the 400 meter tunnel for $700,000, which represents a savings of approximately 800 million real cruzeiros.

The government thinks that when the work ends in December, Parana State will save $40 million, almost 60 billion real cruzeiros.

Lucena, who visited the railway, said the Army can cooperate on other projects:

[Begin recording] I think there is a slot for us, for our people, and it trains them. [end recording]

Minister Cardoso on 'Irresponsible' Attitude by Deputies

PY2103133194 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 21 Mar 94

[Text] Finance Minister Fernando Henrique Cardoso has said he will not authorize the wage increase for deputies and Judicial Branch employees even if the Senate approves it. The minister said that he must obey the law, but within the limitations of the defense of national interests.

Minister Cardoso described the attitude of the deputies as sabotage to the country. He regretted that his party, the PSDB [Brazilian Social Democracy Party] did not walk out of the plenary while the presidential veto on the wage increases were voted.

Cardoso said that, despite the serious attitude of congressmen, there is no reason to speak of closing Congress. The minister considered the attitude of military men as exemplary. He does not believe, however, that the irresponsible behavior of congressmen should be a pretext to attack democracy or Congress as an institution.

Chile

Brazilian Envoy Clears 'Doubts' About Trade Agreement

PY2203004894 Madrid EFE in Spanish 1712 GMT 21 Mar 94

[Text] Santiago de Chile, 21 Mar (EFE)—Brazilian Ambassador to Chile Guilherme Leite-Ribeiro has said that Brazil is still interested in signing a commercial agreement with Chile, although one that excludes the customs tariff issue.

The ambassador has thus cleared the doubts about the bilateral negotiations, which have been stalemated for five months.

In statements to the economic newspaper "EL DIARIO," Leite-Ribeiro explained that the customs tariff issue is being excluded because Mercosur [Common Market of the South] internal tariffs will be eliminated in January 1995, while Mercosur members will adopt a common external tariff.

This common tariff will modify the bilateral agreements, which will have to be renegotiated by Brazil, Argentina, Uruguay, and Paraguay, which are the four Mercosur members.

"It would therefore be senseless to negotiate with Chile over a tariff reduction that will last only one year," the Ambassador said.

The main obstacles in the Chilean-Brazilian negotiations centered around the area of services, a sector in which Brazil maintains a policy of restrictions that favor local enterprises.

In addition, some Chilean entrepreneurial sectors have disagreed with the treaty with Brazil, because they have no confidence in Brazil's macroeconomic development and because of the state subsidies paid to some exporters.

Ambassador Leite-Ribeiro said that subsidies to Brazilian exports were terminated three years ago, adding that the Chilean problem is a lack of sufficient industrial supply, while in those sectors where Chile has achieved a strong position, trade relations with the industrialized countries are privileged.

He recalled that Brazil has a powerful industry and that its exports amount to $40 billion annually, which is equivalent to Chile's gross domestic product.

Brazil is Chile's main commercial partner in Latin America. In 1993 Brazilian exports to Chile amounted to $1.06 billion, while imports stood at $407 million.

Roundup of Economic Reports

PY1803220194

[Editorial Report] The following is a compilation of reports on economic activities in Chile monitored through 17 March.

According to the Central Bank's preliminary reports, the Chilean trade balance registered a $33.1 million deficit in January, with exports at $765 million and imports at $798.1 million. This means the negative balance has been maintained for the ninth consecutive month. The country's purchase rate dropped 4.5 percent and the sales rate increased 14 percent compared with the same month last year, a fact that Finance Minister Foxley regards as "good news." (Santiago LA TERCERA DE LA HORA in Spanish 24 Feb 94 Economic Section p 3)

Evaluating the economic performance in 1989-1993, Finance Minister Alejandro Foxley reported on 23 February that the economy grew 6 percent in 1993. He noted the GDP rose from $28.1 billion in 1989 to $43.8 billion in 1993. Investment rose from $6.5 billion to $11.3 billion. He said government investments also increased from $760 million to $1.425 billion. He explained that the government's savings rose from $850 million in 1989 to $2.2 billion in 1993. This generated a fiscal surplus that increased from $506 million in 1989 to $890 million last year. Foxley said these results led the Chilean economy to grow four times faster than in developed countries and three times more quickly when compared with Latin American countries. (Santiago EL MERCURIO in Spanish 24 Feb 94 pp A1, A9)

The National Fishing Association reported Chile exported 1.233 million metric tons of fishing products worth $1.172 billion in 1993, a drop of 10 percent and 9.5 percent, respectively, compared with the previous year, when exports were 1.370 million metric tons valued at $1.295 billion. (Santiago EL MERCURIO in Spanish 28 Feb 94 pp B1, B2)

The National Statistics Institute, INE, reported that the unemployment rate was 4.8 percent from November 1993 to January 1994, an increase of 0.3 percent compared with the previous quarter, and a 0.4 percent increase compared with the November 1992-January 1993 period. The labor force totalled 5,254,200 people, an increase of 4.4 percent compared with the same quarter last year. The number of employees was 5,580,000, an increase of 3.9 percent compared with the same quarter in 1993. This means that 187,290 new jobs were created. (Santiago EL MERCURIO in Spanish 3 Mar 94 p B10)

The INE reported on 2 March that the February consumer price index was 0.3 percent, and that the cumulative inflation rate for the first two months of the year was 1.3 percent, and 13.1 percent for the past 12 months. Housing increased 1.7 percent and transportation and communications 0.5 percent; food dropped 1.2 percent and clothing 1.7 percent. (Santiago EL MERCURIO in Spanish 3 Mar 94 pp B1, B10)

Colombia

Government, CRS To Sign Final Peace Accord 9 Apr

PA2103154994 Madrid EFE in Spanish 1541 GMT 20 Mar 94

[Text] Santa Fe de Bogota, 20 Mar (EFE)—The government and the Socialist Renewal Movement (CRS) guerrilla group, which represents approximately 600 men, 300 of whom are still armed, will sign a final peace accord on 9 April. On Saturday, 19 March, government and CRS representatives were able to iron out the final differences that had stopped the negotiations and reach a specific agreement on all the topics discussed. "As a result of this and in order to adjust the details of the ceremony whereby the CRS will lay down its weapons and rejoin civilian society, the signing of the final Political Accord will take place on 9 April in Monte Flor, Ovejas Municipality, Sucre Department," the communique signed by the two sides said. In the eight-point agreement, the government pledges to give the CRS two seats in the House of Representatives and, possibly, another in the Senate. The eight points agreed on refer to human rights, citizen participation, economic consensus, regional development, legal benefits, political advantages [favorabiliades], reincorporation, and the surrender of weapons.

CRS spokesmen voiced their satisfaction with the agreement reached and called on active rebel groups to hold talks with the government and seek alternatives of peace. The CRS disbanding process began a year ago when a dissident ELN [Army of National Liberation] group publicly expressed its desire to talk and surrender its weapons. At that time, the CRS had rejected the orthodox leadership of Manuel Perez, a Spanish former priest, kidnappings, and indiscriminate violence as a guerrilla warfare strategy. The process experienced its biggest setback last September when leaders Enrique Buendia and Ricardo Gonzalez were murdered. These men, who were unarmed and had special authorization from civilian authorities, were getting ready to make contact with other comrades in arms when the Army detained and killed them.

Cuban Ambassador To Give Castro Answer To Foreign Ministry

PA2103141594 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 21 Mar 94

[Text] In the next few hours, Cuban Ambassador to Colombia Jesus Martinez will officially deliver to the Colombian Foreign Ministry, Cuban President Fidel Castro's answer to a request sent last Thursday [17 March] asking the Cuban Government to say whether [guerrilla leaders] Alfonso Cano, Ivan Marquez, and Sincelejo Bishop Nel Beltran had participated in an alleged guerrilla summit and the Fourth Meeting of Solidarity of Latin American People with Cuba, according to reports by EL TIEMPO of Bogota.

As Caracol reported, Friday afternoon Fidel Castro told Colombian Foreign Minister Noemi Sanin that after having reviewed the list of participants to the Fourth Meeting of Solidarity, watching videos of the meeting, and looking at pictures that were taken of the event, the Cuban Government is able to guarantee—his word of honor at stake—that Ivan Marquez, Alfonso Cano, or Sincelejo Bishop Nel Beltran were not at that meeting, much less a guerrilla summit. Fidel Castro also denied that his government has given the Colombian Guerrilla Coordinating Board an office so it can carry out subversive operations in Colombia.

Caracol can also confirm that reliable sources have reported that the alleged evidence and proof of subversive leaders participating in the alleged Havana summit given to the Colombian Government by the Prosecutor General's Office were based solely on statements by a

nun, who had gone to the Prosecutor General's Office and offered her testimony. In her statement, she says she believes she saw Nel Beltran at that conference, that he was a person that looked very much like a person she had met in our country.

This is too flimsy, too weak a testimony and will probably be considered meaningless in the next few hours once it is established that the nun's testimony saying she saw Nel Beltran and the guerrilla leaders in Havana is the only testimony of that kind.

The embarrassing situation caused by EL TIEMPO will be resolved this week and relations will not be broken. The Gaviria administration will find President Fidel Castro's explanation satisfactory, and that will be the end of it.

Minister: Government Believes Cuban Version of Summit

PA2103202094 Madrid EFE in Spanish 1823 GMT 21 Mar 94

[Text] Santa Fe de Bogota, 21 Mar (EFE)—Today, Monday, Colombian Government Minister Fabio Villegas said that as long as there is no irrefutable proof on the alleged Colombian guerrilla summit in Havana, Colombia will continue to believe Cuba, which adamantly denies it. In the Caribbean city of Cartagena de Indias, the minister said: "What we know is that the Cuban Government is maintaining its former position, previously stated to our ambassador in Cuba, meaning the guerrilla summit was not held there." Villegas emphasized: "We believe that as long as we do not have enough evidence proving otherwise, we obviously have to believe the Cuban Government."

On Saturday, media sources reported that Cuban President Fidel Castro denied his government had sponsored a meeting of Colombian guerrilla leaders on the island. He reaffirmed his pledge to Colombia, in other words, to not interfere in its internal affairs. Castro ruled out the possibility various Colombian guerrilla leaders had participated in the Fourth Latin American and Caribbean Meeting for People's Solidarity and Self-Determination, held late in January in Havana.

The Colombian Government demanded an explanation from the Cuban Government on the alleged presence of Guerrilla Coordinating Board (CG) leaders in Cuba, and it warned that relations between the two countries would suffer a great setback if the rumor was confirmed.

Castro talked with Colombian Foreign Minister Noemi Sanin over the telephone and said he had ordered an investigation, while adding that he had individually verified all the names of the people who attended the solidarity meeting so he could guarantee with certainty that there were no guerrilla members.

On Thursday, Sanin said that based on information received from the Attorney General's Office, "we have serious evidence that Cuba possibly welcomed the guerrilla members, who apparently participated in a political summit."

Envoy Denies Suspension of Information Exchange With U.S.

PA2103035194 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 21 Mar 94

[Report by Diego Suarez; from the "TV Today" newscast]

[Text] The United States has not suspended the exchange of evidence and judicial information with Colombia, Ambassador to Washington Gabriel Silva Lujan said today, denying reports by international news agencies concerning such a suspension.

The diplomat said that on the contrary, new cooperation systems are being studied in the antidrug-trafficking struggle.

According to the ambassador, although there are some differences of criteria between our government and the United States over the policy of bringing drug traffickers to justice, no break in the exchange of judicial information has taken place.

[Begin Silva recording] I do not think this decision has been made, because until recently we have maintained an open and clear dialogue with U.S. authorities. At no time has this possibility been mentioned.

I have maintained frequent and close contact with U.S. authorities. During none of the official or informal meetings I have held with them have they informed me of such a decision. [end recording]

In the meantime, the attorney general has defended Prosecutor General de Greiff's administration and said that the two countries are perfecting the judicial cooperation system.

[Begin recording] [Attorney General Arrieta] The fact of the matter is that there are many people who would be interested in blocking this cooperation process. On one occasion I have said criminals are the only ones to fish in these troubled waters.

[Justice Minister Andres Gonzalez] There have been differences that are known to the public, but I trust we can embark on a great effort to create an atmosphere that favors the much-needed judicial cooperation in the international area. [end recording]

Turbay Ayala Retires as Liberal Party Leader

PA1903024194 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 19 Mar 94

[From the "24 Hours Newscast"]

[Text] With a clear conscience of a job well done, Julio Cesar Turbay Ayala, former president of the Republic,

retired today from the Liberal Party [PL] leadership. According to party members, Turbay Ayala fulfilled his two goals: primary elections and a single candidate.

With the Liberal tradition of having been the president and the party leader, former President Julio Cesar Turbay Ayala is retiring with the recognition of his fellow countrymen because he united them and promoted clean primary elections for choosing the candidate for president of the Republic.

[Begin Turbay Ayala recording] With the change in leadership of the party we complete the cycle of a generational renewal within the PL. The change is beneficial. It has its own dynamics, and any efforts to halt the process will be to no avail. [end recording]

Next week PL presidential candidate Ernesto Samper Pizano will form the new groups for his electoral campaign.

Gaviria Temporarily Alleviates Labor Ministry Crisis

PA2103163394 Hamburg DPA in Spanish 2203 GMT 19 Mar 94

[Text] Santa Fe de Bogota, 19 Mar (DPA)—Today, Colombian President Cesar Gaviria temporarily overcame the ministerial crisis that arose last night when Labor Minister Luis Fernando Ramirez, who was proclaimed vice presidential candidate by the Conservative Party, resigned.

According to the text of a presidential decree issued today and given to DPA, Gaviria entrusted the ministry to Deputy Minister Gerardo Hernandez. A labor minister is expected to be appointed next week. He will regulate decrees for the social security reform approved by Congress late last year.

The reform was sponsored by Ramirez, who registered today as presidential candidate Andres Pastrana's ticket partner, and he immediately announced an ambitious and quick tour of Colombia. Ramirez was appointed labor minister in July 1992 on behalf of the New Democratic Force (FND), a conservative group founded by Pastrana, who announced a campaign and promised a government with supraparty leanings.

Eighteen Candidates Register for Presidential Elections

PA2003170094 Madrid EFE in Spanish 2152 GMT 19 Mar 94

[Text] Santa Fe de Bogota, 19 Mar (EFE)—Today, a total of 18 Colombian presidency candidates registered with the Registrar's Office, the country's election authority, for the 8 May elections. The election office also established the number corresponding to each candidate on the voting ballot, a sheet that includes the list of candidates and also information with respect to the name of the movement or party, the respective number, a photograph, and the candidate's name.

The majority of the candidates, including three women, are not well known. They registered, knowing beforehand that they do not stand a change of being elected.

According to their respective identification number, the candidates include Guillermo Aleman, Luis Eduardo Rodriguez, Jose Antonio Cortes, Jose Galat, Andres Pastrana, Enrique Parejo, Gloria Gaitan, Doris de Castro, Efrain Torres, Ernesto Samper, Jose Guillermo Barbosa, Alberto Mendoza, Oscar Rojas, Maria Diaz, Miguel Meza, Miguel Zamora, Antonio Navarro, and Regina Betancourt.

According to recent voter polls, Conservative Andres Pastrana and Liberal Ernesto Samper are both in the best position to win the elections. They are closely followed by former guerrilla Antonio Navarro Wolff, former secret police director Miguel Meza, and former Liberal Minister Enrique Parejo. If none of the candidates obtain an absolute majority of votes, which would seem to be the case, a second election round will take place on 29 May between the two candidates that received the most votes.

Peru

Military Training for Peasants Viewed

PY1703211594 Lima LA REPUBLICA in Spanish 6 Mar 94 p 20

[Article by Cesar Teran Vega]

[Text] Tingo Maria, 5 Mar—Another 100 subversives from the various localities of Leoncio Prado Province arrived here this morning to avail themselves of the Repentance Law. Their presence confirms the firm determination of the people of Upper Huallaga (Tingo Maria-Tocache) to find reconciliation, peace, and development.

The repented subversives, some with their respective families, were welcomed by the commanders, officers, and soldiers of Antisubversive Battalion No. 313, which is headquartered in "Los Laureles" Fort, on the outskirts of this city.

In increasingly frequent and massive numbers, waves of townspeople are coming here to choose the path of pacification, after having mistakenly joined the Shining Path, or after being forced, or even abducted, to cooperate with this criminal terrorist organization.

They explained to LA REPUBLICA today that before taking this step, most of them had previously contacted peasant self-defense patrol members of their respective localities.

That is why military authorities attach priority to the organization of the self-defense patrols and the self-defense committees in the towns of Upper Huallaga.

Some repented subversives try to make contact with military authorities in the Emergency Zone, in the antisubversive barracks of Tingo Maria and Tocache. Relatives, friends, or some other spokesman mediate on their behalf, seeking guarantees in exchange for their surrender.

Today we saw the new group of repentant people being properly registered at "Los Laureles" Fort. They will then be submitted to a thorough medical checkup, including women and children.

All pregnant women, and mothers and babies are transferred to a Health Ministry hospital for specialized care.

The people will remain at "Los Laureles" Fort as long as necessary to be monitored, to receive medical treatment, to obtain the necessary documents to legalize their status as free citizens who are not wanted by the courts and—in some cases—to receive military protection as refugees.

Most of the ones from this central jungle area decide to return almost immediately to their towns, back to their farm work and to the self-defense committees that now fight the Shining Path cells, which are desperately and unsuccessfully trying to reorganize.

Today's arrival of the 100 repented subversives coincided with the conclusion of a military training cycle of 30 peasant self-defense patrol members from various peasant communities.

Some of these patrol members are former subversives who repented and authorities of their respective localities who have been courageous enough to accept the challenge, refusing to yield to terrorist extortion and threats.

These authorities have actively organized self-defense committees and peasant patrols to preserve order in the towns. They comprise volunteers of a community who are supplied with shotguns and machetes, and who are trained by the military. They protect civilians.

A self-defense committee, which includes the peasant patrol, has a much broader mission. It protects the community and, at the same time, participates in reconstruction work, in the construction of civil works for the community, and in social support programs to promote development.

EP [Peruvian Army] Commander Javier Riva Ramirez is the political-military commander of Leoncio Prado (Tingo Maria) Province and chief of Antisubversive Battalion No. 313 headquartered in "Los Laureles." Today, he supervised the incorporation of 100 peasant patrol members and the peasant patrol members' training session.

Commander Riva reported that nine peasant patrols have so far been organized and trained in Leoncio Prado Province, the capital of which is Tingo Maria.

Some 900 duly trained men, whom the government has supplied with shotguns, are members of those patrols.

"To avoid infiltration by subversives, each peasant patrol candidate is submitted to examinations and careful evaluations that begin in their own community," Commander Riva said.

He described the following steps of the evaluation and selection:

- Peasant patrol candidates are first studied and selected by the authorities and by the people of each community. The names are then proposed before the military authorities of the Huallaga Front.
- The applicants then report to the respective military barracks where a team of psychologists, psychiatrists, lawyers, and other specialists will study their personalities, backgrounds, and physical and mental capacity.
- One these exams are passed, applicants are ready to receive military training.
- Instructors teach patrol members defensive tactics in order to efficiently patrol their towns, the theory of the operation of firearms, practice with shotguns, and courage tests in a combat range and in the field.

Under a burning sun, and in extremely muddy conditions following recent torrential rains, LA REPUBLICA today watched a military training session of 30 peasant patrol members.

It was the last session of their training; at 1100 they attended a special ceremony at "Los Laureles" fort.

At that civic patriotic ceremony, hundreds of peasant patrol members and a large number of repented subversives swore allegiance to the Peruvian flag. They also swore to fight terrorism and subversion so as to consolidate regional and national peace.

At the shotgun exercises, the applicants today obtained satisfactory grades. The instructors said that some are quite good.

Instructors are especially interested in teaching patrol members a defensive, rather than offensive, spirit.

An instructors told them: "Bear in mind that your mission is, above all, to guarantee peace and order in your communities. We are fed up with war and useless shedding of blood. Consequently, be very careful when using the arms that we are giving you today."

He added: "Do not forget that arms can help to protect many lives. They must be used only when necessary and against terrorist criminals who threaten our towns and our families."

When the patrol members fired their arms, the instructors especially emphasized precautions for the use of shotguns to avoid endangering innocent lives.

Commander Javier Riva told LA REPUBLICA that the new pacification strategy in Upper Huallaga involves the creation of the largest number of self-defense committees and the largest number of repented subversives.

Commander Riva said: "This is linked with a broad program of social support for people rescued from the Shining Path yoke."

He announced that soon his office will—in coordination with the commander of the Huallaga Front, General Alfredo Rodriguez—implement far-reaching agreements with the Special Upper Huallaga Project and with Foncodes [National Compensation and Social Development Fund], to find jobs and help the repented subversives, who are now striving to rejoin society.

Main Drug-Trafficking 'Firms' Examined

PY1903171894 Lima EXPRESO in Spanish 9 Mar 94 p A14

[Article by Liz Mineo]

[Text] Before his arrest Demetrio Limonier Chavez Penaherrera, also known as "Vaticano," was the head of the largest drug-trafficking mafia in Peru, administering like no other drug trafficker huge amounts of drugs and dollars. It is estimated that he alone sold an average of 60 tonnes of cocaine base per year, valued at $900 million.

"Vaticano" was the main cocaine base dealer in Peru for the Cali cartel, as well as its safest trafficker, as he could guarantee the cocaine base shipments to Colombia in small hired airplanes that took off from the clandestine landing strips he controlled.

During its golden times between 1989 and 1992, the Chavez Penaherrera empire, whose headquarters were located in Campanilla, extended to Uchiza in the south and Saposoa in the north.

Although his organization became the most powerful one in Peru, his gang never attained the nearly absolute power and sophisticated structure of the Colombian drug cartels. "Vaticano's" organization was, in some aspects, even a step behind some of his Peruvian counterparts.

His arrest, which took place in Cali in mid-January, ended the belief that Chavez Penaherrera would found the first Peruvian drug cartel. This possibility has yet not been ruled out, as there are several drug mafias in the country that are reportedly in better condition to do what he could not.

Meanwhile, the police think that one of the Chavez Penaherrera brothers, Elias, also known as "Lan Chile," has taken over control of the "firm."

"El Ministro"

Waldo Vargas Arias, a Colombian drug trafficker whose alias is "El Ministro," heads the second most important drug-trafficking "firm" in Peru, and ought to be the main candidate for replacing "Vaticano."

It is said that Vargas Arias sends more than 40 tonnes of cocaine base per year to the Colombian drug "kingpins" with whom he deals directly. "El Ministro," however, is far from being just a cocaine base dealer, as he manages a network of clandestine laboratories. He processes cocaine hydrochloride and manages a large network of contacts with Peruvian drug traffickers.

Without a doubt, the most profitable activity he has is processing and exporting cocaine hydrochloride. More than half the national production of cocaine comes from "El Ministro's" laboratories. It is estimated that in 1993 nearly 70 tonnes of cocaine hydrochloride were produced in the country.

Although Waldo Vargas Arias has surpassed "Vaticano" in several aspects, it seems that he really does not wish to be on top of the rest of the drug kingpins.

"'El Ministro' prefers to remain in the jungle managing his businesses. It seems that he is not interested in power, given that his lifestyle is neither flamboyant nor exaggerated like that of 'Vaticano,'" a police source said.

Vargas Arias' operations center is located in the Lower Huallaga region, although he has recently expanded outside San Martin Department, near the town of Lagunas, near Yurimaguas.

The Cachique Rivera Brothers

According to the police, the Cachique Rivera brothers' gang is the surest candidate for becoming the first Peruvian drug cartel, given its broad network over nearly the entire national territory and the different activities in which it participates.

These enterprising brothers are not only cocaine base middlemen, but have extended their activities to all the possible drug trafficking components.

They administer a network of laboratories, manufacture cocaine hydrochloride, are engaged in precursor traffic, control several clandestine landing strips, and have their own fleet of small airplanes.

They have the largest network of contacts with Peruvian drug traffickers, maintain direct contact with the chiefs of the Cali cartel, and have some connections in Europe. As if that were not enough, they have their own drug money "laundering" system.

The Cachique Rivera brothers operate in several zones throughout the national territory. They operate in Cajamarca, Chiclayo, and Trujillo in the north; in Aguaytia and Pucallpa in the east; in Lima and Ica in the center; in Sierra Pasco, Palmapampa, Apurimac, and Pichis-Palcazu Valley in the mountains; and in Manu in the south. Their operations center is located in Aguaytia, a town in Ucayali Department.

Their gang is made up of four brothers from Tingo Maria. Their names are Adolfo, also known as "Alferez"; Abelardo, also known as "Teniente"; Segundo, also known as "Capitan"; and Nicolas, also known as "Mayor." It is known that Abelardo lives in Cali and is regarded as the fiercest of the four. According to the police he conducts their "firm's" operations from Colombia, while Segundo surveys the normal operation of the "business" in the jungle area.

The power of the Cachique Rivera brothers can hardly be matched by the other mafias that operate in the country. It is estimated that they send nearly 15 tonnes of cocaine hydrochloride per year to the Cali cartel, which makes them their main supplier.

Together with "El Ministro,"the Cachique Rivera brothers are the main producers and exporters of cocaine hydrochloride in Peru.

The Group of Six

According to Dinandro [Antidrug Division] and DEA files, a special group is made up of six lesser known "firms" which are nonetheless just as important given the amount of drugs and dollars they move.

These "firms" are headed by Jorge Alvarez Enriquez, also known as "Chino Jorge"; Braulio Tafur Alvarado, also known as "Tio Braulio"; Juan Leguia Manzur, also known as "Nino"; Luis Perez, also known as "Luco Culon"; Carlos Melendez Andrade; and Willer Alvarado Linares.

All of them are cocaine base dealers. They collect cocaine base and sell it to the Colombian drug traffickers, with whom they deal only through middlemen. Their areas of operation are located in many settlements in the Huallaga region.

Alvarez, Tafur, Perez, and Alvarado operated in Saposoa, Juanjui, Uchiza, and in the Lower Huallaga. Leguia and Melendez operated in Palmapampa and Manu, which has become a new drug trafficking operations center.

From this group, the most important traffickers are Leguia, Manzur, and Melendez Andrade. They have their own small airplanes and access to clandestine landing strips which guarantee the transportation of drugs. Among all of them, Melendez seems to have more advantages than the others, as he controls some laboratories in which he manufactures washed coca paste and cocaine hydrochloride.

It is estimated that all these firms send nearly 15 tonnes of drugs per year to Colombia.

The Rest

Other less important gangs that also deal in large amounts of drugs are made up of families that operate in different parts of the country.

According to the police, the brothers Luis and Jorge Cardenas Guzman, also known as the "Mosquitos"—sons of the well-known drug trafficker "Mosca Loca"—operate in Bellavista and Iquitos. The brothers Luis and Javier Lopez, also known as "Crespo I" and "Crespo II," operate in Saposoa and Campanilla.

Eliseo Alvarado Perez, also known as "Champa," father of Willer Alvarado Linares, is known as one of the "bosses" of Aucayacu, and the Julca Urrello brothers—one of whose members was arrested together with "Vaticano" in Cali—operate in Ica.

There are many other traffickers who are known only by their aliases: "Cristo," "Tolima," "Azul," "Tio Poderoso," "Bigote," "Charapa," "Pelo Duro," "Galleta," and "Clavo." These are just some of the aliases registered by the police in its files, which grow every day with the names of criminals who aspire to one day follow after "Vaticano," who is currently in prison.

Military's Possible Link to 'Vaticano' Examined

94SM0256A Lima SI in Spanish 7 Feb 94 pp 8-21

[Article by Ivan Garcia, Mabel Barreto, Jose Arrieta, and Julia Maria Urrunaga: "The Green Runway"]

[Text] "Vaticano" had two main accomplices: the Shining Path [SL] during one phase and prominent military officials in Alto Huallaga during another. However, the drug traffickers will be tried by the military courts and the commanding officer of the Army has already stated that no one in the military is involved.

Landing strip used by drug traffickers in Campanilla: The encircled area of the photo shows the Peruvian Army's Otorongo Military Base used for antiterrorist operations. For the past year, it has been used by small planes carrying drugs to Colombia in plain sight of the soldiers based there. It was built by Vaticano.

Although public opinion has for the past two weeks had ears for nothing but the alleged connections of drug trafficker Demetrio Chavez Penaherrera with prominent figures in the world of entertainment, a disturbing question nevertheless keeps cropping up with respect to this shady individual: Was he or was he not connected with members of the Armed Forces and Peru's National Police (PNP)?

Last week, Nicolas de Bari Hermoza, head of the Army, and PNP General Victor Alva Plasencia both emphatically denied that anyone in the military or police has had connections with Chavez Penaherrera.

Nevertheless, in the midst of the confusion caused by police arrests of entertainers, stars, a designer and a former beauty queen, rumors and suspicion that members of the Armed Forces or the Peruvian Police might be involved in Chavez Penaherrera's drug trafficking ring continued to grow.

Despite the amount of time that has passed, people still have vivid memories of the connections of drug trafficker Reynaldo Rodriguez Lopez, the "Godfather," with high-ranking National Police officials still serving prison terms.

So far, statements by (retired) Peruvian Army Major Evaristo Castillo Aste published in CARETAS last week provide the first indications that would detract from the categorical statements made by top-ranking PNP and Army officials to the effect that no one in the military or Police is involved with Chavez Penaherrera.

In the jungle, (retired) Major Castillo Aste served first of all as chief of operations and later military adviser to General Eduardo Bellido, now political and military head of the Huallaga Front.

What he said is deserving of an investigation as thorough as it must be transparent in order to assess the responsibilities of those serving at and assigned to the various military and Police bases near the area in which Chavez Penaherrera operated in Huallaga Valley.

Chavez Penaherrera is unquestionably one of the biggest—if not the biggest—drug traffickers in the country. There is also some suspicion about his connections with terrorists in the area. However, what is particularly troublesome in this case is that there does not appear to be the slightest interest on the part of either the military or the Police in investigating possible cases of corruption committed by members of law enforcement agencies.

Chavez Penaherrera, aka "Vaticano," has already been accused of treason on charges of narcoterrorism. His case is being channeled almost automatically to the military courts, where he is awaited by a faceless court that will certainly sentence him to life in prison.

Naturally, when he is turned over to the military courts, the regular courts of law will be powerless to conduct investigations, not only into Vaticano's probable relations with members of the Armed Forces and the PNP, but also with nonmilitary and nonpolice sectors.

The following is a thorough examination of the connections that very possibly link Vaticano with certain military and Police figures.

The information comes from thoroughly reliable sources and, as the reader will see, the accuracy and details speak for the quality and veracity of the information.

Looking the Other Way

Kilometer marker 787 on the Juanjui-Tocache section of Marginal Highway in the Department of San Martin, which between 1990 and mid-1993 was one of the airports set up by Vaticano to send cocaine paste (PBC) to Colombia, was not concealed in any way.

It could not be because located at the end of the 1,500-meter airstrip used by small planes from Colombia is (now blockaded by cement barriers and barbed wire) the Peruvian Army's Otorongo Military Base used for antiterrorist operations. Both the strip and base are next to the town of Campanilla. The base has been there, manned by (approximately) 40 soldiers under the command of a captain, since before 1989.

In other words, there could not have been a single flight, shipment of cocaine paste, or takeoff or landing by Colombian planes in Campanilla that was not observed by personnel at that military base. To deny such complicity, which we shall describe in further detail below, would amount to saying that a small plane can land in Lima's city square without being seen by soldiers guarding the government buildings.

The captains assigned to the Campanilla Military Base (and who are rotated every three or four months) are not the only officers responsible. Their chiefs, who visited the base periodically, could not possibly have been unaware of what was going on.

Even if they did not observe the landings, when making their inspections, the officers must have at least wondered what was taking place on the 1,500-meter strip!

Nor did all the action take place in Campanilla. Nearly all the runways built or set up by Vaticano were near military bases. Most were run by the Army, as in the case of Tingo Maria, Aucayacu, Tocache, Juanjui, Sion, Punta Arenas, Uchiza, Saposoa, Bellavista, and Palmapampa. The Peruvian Air Force (FAP) now has its own bases at Tingo Maria, Tocache, Juanjui, Uchiza, Saposoa, and Bellavista. The Navy has a base at Aguaytia, where a secret airport also once operated.

The responsibility extends to the highest-ranking officers in the Armed Forces in the area: the commanding officers of Emergency Zone 8 (San Martin and Huanuco) between 1990 and 1993.

According to information gathered by this periodical in the area and contained in more than one report drafted by members of the Army Intelligence Service (as on 22 November 1991, for example), the complicity between the chief of the Otorongo Base and Vaticano's ring was the result of a financial agreement involving at least $3,000 to $4,000 a flight. If one considers that not only the captains in charge of the base, but their superior officers also consented to the goings-on, then one has to conclude—and this is the information that circulates in the area—that these superior officers also took payments and in larger quantities.

Life in Campanilla

The operation run in Campanilla that turned the town into the biggest center for collections and shipments in Huallaga involved most of its 3,111 inhabitants.

It is perhaps for that very reason that no one wants to speak of what was happening in the local streets until only very recently. It is as if the entire town had suddenly suffered an attack of amnesia.

However, Army intelligence reports—which no one heeded at the proper time—and accounts gathered in Juanjui can reconstruct what the people of Campanilla do not wish to recall:

The activity began at the collection centers. The peasants went straight to certain homes in town. For example, the house where Humberto Chavez Penaherrera lived is on the second block of the Julio Romero Castro section, the street running right into Campanilla, about 150 meters from the base.

The building belongs to his brother, Emilio Chavez Penaherrera, who lives on Block 3 of the Alfonso Ugarte section in Juanjui, where SI found him. He said he has not seen his brother Demetrio since the latter was 15 and ran away from home in Campanilla (the Chavez Penaherrera family moved from Saposoa to Campanilla when Vaticano was 9) and swore he knew nothing about his other siblings Humberto, Bertha, or Bersabe. "We have all gone our separate ways and I know nothing about the others," he said.

The only thing he admitted was that he has a house in Campanilla where his brother Humberto lived until his arrest late last year: "I left it when I came here from there eight years ago to devote all my time to running my lumber business," he said.

Vaticano was not living in Campanilla. He moved to Colombia in 1990 but returned frequently (for important shipments, it is said) and stayed at that house when he did so.

His sister Bersabe, also under arrest although it is not known for what charges, lived across from the Plaza de Armas.

Another collection center may have been Humberto's ranch, located on the same level as the town but across the Huallaga. This would mean transporting the product on rafts to the little port of Campanilla across from the ranch. Lower down on the same side of the Huallaga lives another brother, Juan II (the Pope is also named John). According to those who know him, he is very poor.

The drug was taken from the collection centers to the airstrip. This meant crossing the river or walking a few blocks. According to one report from the Army Intelligence Service drafted by an agent who visited Campanilla near the end of 1991, the haulers or "handlers" carried it in backpacks. They would sit down on both sides of the streets and wait for payment or some scheduled flight. For their part, the chiefs moved about in pickup trucks guarded by armed hired killers.

As the time for a flight drew near, they converged on the airstrip to make their shipment. The twin-engine planes brought the money in dollars. It was unloaded and the drug loaded, some 800 to 1,000 kilos of cocaine paste on every flight. According to the report and as confirmed by anyone visiting Campanilla, this all took place "in plain sight of Army personnel."

In order to convert coca leaves into paste, the laboratories operated in homes or on the riverbanks. When Humberto Chavez was arrested on 3 December, a lab operating on the bank of the Huallaga opposite his ranch was raided and destroyed.

All of this movement in town also presumed the complicity—and paying off—of municipal authorities. The mayor from 1990 to 1992 was Aprista [American Popular Revolutionary Alliance] member Guzman Gonzales Rivadeneyra.

But the facilities are different. For Vaticano, Campanilla was not just his center of operations. It was also the village where his family had come 30 years ago when it amounted to no more than a few huts. It is perhaps for that reason that he gave the mayor $500,000, the latter admits himself, "counting it out one bill at a time," in order to build things: the Plaza de Armas, the church, a satellite dish, lights for the town (only for the streets lining the square), and street repairs, a la Pablo Escobar.

However, the current mayor, Reinerio Cardenas Isuiza, told SI Thursday that all the works were the result of a common effort. During his term in office, he said, they had received help from Humberto Chavez only to repair streets and only in the form of food for the members of the Engineering Battalion: 27 kilos of meat a day. Like the residents of the town, the mayor recalls nothing at all about drug operations even though he has lived in Campanilla for 2? years!

Barriers

In September 1992, after the first news reports appears concerning Vaticano's activities in Campanilla, the Army itself joined with the DEA [Drug Enforcement Administration] to install cement blocks on the runway.

However, that was not the end of the complicity. The bulletin distributed by the National Antidrug Directorate (DINANDRO) at the press conference at which Demetrio Chavez Penaherrera was presented states that "the barriers were moved at night to the edge of the runway so the illicit operations could take place (the landings, loading of cocaine paste, and takeoffs), then put back in place so as not to awaken suspicion." What did personnel at the Otorongo Base do while this was going on in front of their very eyes? Army Intelligence reports state that the soldiers even got in on the act, loading the bags of cocaine paste on the small planes and moving the cement blocks.

Only last year, as a result of the intervention of the Peruvian Air Force detachment stationed in Juanjui, heavier blocks were moved into place and barbed wire and explosives were installled. The flights were suspended at Campanilla, but continued at other strips run by Vaticano.

"Duck Man"

For years, numerous military and police intelligence reports told of Vaticano's activities in what is known as Medio Huallaga.

According to sources in Huallaga, in 1990 Vaticano financed the construction of the landing strip in Campanilla with the aid of the San Martin Development Corporation (CORDESAN) and the Army.

Officials from Corde San Martin, the miniregion of Juanjui, and even the Huascaran Engineering Battalion 112 helped set up the section between kilometer markers 786 and 787 on the Marginal Highway in order to turn it into the Campanilla airport.

Peruvian Army Major Briceno headed the Huascaran Engineering Battalion 112 which in 1991 and 1992 had as its task the reconstruction of the Juanjui-Tocache section of the Marginal Highway. Campanilla is at the midway point. From the ground it is easy to see the difference in altitude between this kilometer and a half and the rest of the highway, which implies that in its reconstruction effort, the Engineering Battalion left this section intact.

Once the terrain had been "separated" for the airport, it had to be expanded on the sides and leveled for the runway. This was done by workers hired by the Juanjui miniregion in the CORDESAN jurisdiction, then headed by engineer Sergio Guerra Chombo.

Adolfo Isuiza, the newsman from Juanjui who was murdered in August 1992 by Vaticano's hired killers, filed this report in one of his dispatches to Radio Tropical in Tarapoto.

A confidential report drafted in August 1991 by CORDESAN confirms the irregularities. The officials involved were Renan Morales Azpur, head of the Juanjui-Tocache highway reconstruction project, Tito Perez, head of the Juanjui miniregion, and the latter's chief, one Rondon.

Both the airstrip and one section of the Marginal highway, specially equipped, were controlled by Vaticano for the landing of Colombian aircraft that took off again loaded with basic cocaine paste (PBC).

According to information received in Huallaga, Vaticano ended up operating as many as 240 flights a month. He admitted the spectacular figure during DINCOTE [Counterterrorism Directorate] interrogations. Then why did the Punta Arenas BCS not take note of the affair? The only possible reply: Someone looked the other way and more.

And yet, Vaticano's drug trafficking operations in the jungle did not depend solely on the flights of Colombian planes.

During certain periods, the combined antidrug operations of the FAP, PNP, and DEA observers prevented the entry into or departure from Campanilla. Nor is the distance from this spot and the Colombian border a small one.

However, Vaticano found a solution to the problem posed by his operations.

Reliable information gathered in Huallaga states, for example, that in February 1992, there were signs that Vaticano's clan used Army helicopters to move the cocaine paste from Huallaga to La Media, an important underground runway located in Nueva Jerusalen del Erene, Ramon Castilla-Caballococha Province, in Loreto.

This clandestine airstrip was only a few minutes from the border with Colombia, meaning it was much easier to get the drug from Peru at that point.

La Media was raided on 23 March 1993, resulting in the arrest of Colombian drug trafficker Manuel Guillermo Ayala Calderon, aka "Paisa" or "Peter," who in statements to the PNP said he had had drug trafficking connections with Vaticano.

However, what is most important is the existence of very precise information detailing how Vaticano could have operated with prominent military officials in the area.

There are signs that Vaticano was in Lima in February 1992. During his absences from Campanilla in 1992, his brother Emilio Chavez Penaherrera, "Gigante," ran the "business." However, the latter was in constant contact with Vaticano by radio in order to receive precise instructions, consult with him when necessary, or send messages to him.

On 24 February 1992, Gigante told Vaticano that "the duck man" urgently wanted to talk with him.

According to the information obtained and duly cross-checked, Vaticano's men used the term "ducks" to refer to Army helicopters flying between different spots in Huallaga.

Nor is that all: That day, sources in Huallaga say, Vaticano talked by radio with "the duck man," whose identity reportedly corresponds to a Peruvian Army officer, one Captain De la Puente, whose code name in the zone was "Javier."

Other reports state that this officer was reportedly a key in Vaticano's relations with other military men.

It is also known that precise reports exist from 1991 pointing to signs of the use of "ducks" by Vaticano to carry the drug from different parts of the valley to Campanilla.

In 1991, coordination with the military, and specifically with the chief of the BCS in Punta Arenas at the time, was reportedly the responsibility of Elias Chavez Penaherrera or "Lan Chile," Vaticano's brother and lieutenant at the time.

Reports found in Huallaga state that Vaticano paid off prominent military officials in the zone, both in order to land small planes on the Campanilla runways as well as for the use of the "ducks" to carry the drug in complete safety from one place to another.

There reportedly exists an Army counterintelligence report stating that this Captain De la Puente supplied Vaticano helicopters from 1900 at night to carry cocaine paste from Campanilla and sometimes even to areas near the Brazilian border (Sion). "The duck man" may have been from the Tarapoto Military Base or the BCS in Punta Arenas, the reports state.

On 20 February of that same year, Vaticano informed the Colombian drug trafficker known as "Doctor" that things were "still going badly" since the "handling" or movement of the drug and payoffs to military personnel had become very expensive.

Other military men in the area, probably involved with Vaticano during those years, are EP Lieutenants "Mickey," "Cahuide," and "Zorro," their code names in Huallaga.

As one can see, a great deal remains to be investigated with respect to the military aspects of the Vaticano case.

More "Men"

The same conversation which Vaticano had with his brother Gigante on 24 February 1992 can provide more clues to the corruption of members of law enforcement agencies in Huallaga.

Witnesses of the conversation in Huallaga say that Gigante told Vaticano that the report appearing in different media concerning the capture by UMOPAR [Mobile Police Unit for Rural Areas] and the DEA of a small plane carrying 380 kg of cocaine paste was not accurate. His brother informed Vaticano that the load seized in Pucallpa ("by the men with green eyes" and "the men from the red earth") was a sale of 800 kg of cocaine paste that they had made to the Colombian drug trafficker Mario. If what Gigante had told him was true, what happened to the remaining 420 kg?

Another piece of information may be related to this fact.

It has to do with a conversation which Vaticano had on 5 March 1992 with a sister of his in Juanjui ("La Calena" or Bersabe?).

The sister reportedly told him that the seized drug was in Juanjui and that the "chief of the place" intended to get it to Colombia through Tarapoto. Vaticano reportedly had his sister so inform "Calavera" (Humberto Chavez Penaherrera) so that the latter, with help from the military, would try to get the shipment back.

Campanilla Defense Front

In March 1992, Vaticano reportedly ordered, through Gigante, that the members of his ring in Campanilla not carry rifles, shotguns, or machine guns, evidence compiled in the area indicates.

However, he excepted handguns and ordered that if they had to be carried, they should be concealed in clothing.

The sources consulted go on to say that Vaticano stressed that above all, his men should not carry weapons bearing the Peruvian coat of arms and reportedly told Gigante that he coordinate with the "engineer," possibly the head of the BCS in Punta Arenas.

According to different versions given in Huallaga, weapons with the Peruvian coat of arms could only belong to the Army.

How could Vaticano's men have Army weapons?

The explanation given by sources interviewed state that in 1991, Vaticano promoted the formation of the Campanilla Defense Front against the SL terrorists and advised the head of the Punta Arenas BCS to give Army weapons to the settlers, many of whom belonged to his ring. That year, witnesses say, Vaticano decided not to go on paying quotas to the Shining Path. The Campanilla Defense Front was one way to stand up to terrorism in coordination with the Army.

(This was roughly the time of a confrontation of Vaticano's band with a Shining Path column. Fifteen terrorists died in the battle, people in Campanilla say.)

Also according to accounts gathered, Vaticano reminded the head of the Punta Arenas BCS, through Gigante, that the collection of payments by small aircraft landing on the Campanilla strips had been temporarily suspended.

Gigante replied that he had already reminded the officer in question of that fact, but that the latter went on collecting, perhaps, he said, because they were soon to transfer him, the informants consulted in Huallaga say.

Why did Vaticano prohibit his men from carrying long arms, particularly if they bore the Peruvian coat of arms, and why did he insist on not collecting payoffs during the early days of March 1992?

The information available indicates that these measures were reportedly taken by Vaticano because of a report published on 29 February 1992 by the daily newspaper LA REPUBLICA reporting his activities in Campanilla and his connections with members of the Army. Vaticano reportedly did not want to expose himself by revealing the network he had managed to set up in Huallaga for his illegal drug trafficking operations.

Police Involved

Other sources report serious clues that might compromise PNP officials with Vaticano. They allegedly include Major "Che Gato," one Colonel Bernedo connected with

the escape of the trafficker "Mosquito," son of "Mosca Loca" and Captain Rafael Lopez, cousin of the first husband of "La Calena," Abel Lopez Soria. The latter officer's nickname is "Muneco."

It has also been learned that one of the police now questioning La Calena is supposedly the one who stole and later sold to Vaticano for $5,000 the report containing everything the police knew about him up to the time he was captured.

1990: Abundant Proof

The arrest of Colombian drug trafficker "Paisa" or "Peter" in March of 1993, who admitted making more than one "deal" with Vaticano, led DINANDRO to make a thorough search of its files and records of antidrug operations.

An extensive and detailed police report drafted in April 1993 concerning Paisa's capture in Caballococha contains the search and seizure on 24 July 1990, drafted by members of the PNP's Condor Patrol in Campanilla. The report states that the police entered Vaticano's house, located approximately 30 meters from the laboratory, which was on the right bank of the Huallaga River opposite Campanilla. They found the following: seven plastic bags, each containing 40 kilos of cocaine paste; two plastic bags, each containing 24 kilos of paste; one plastic bag containing 16 kilos of paste; two FAL [Armed Forces of Liberation] cartridge pouches containing 15 shells each; and an FAL rifle with the serial number sanded off.

The same report goes on to state that: "The expansion of investigations to obtain more evidence relating to Demetrio Chavez Penaherrera in illegal drug trafficking (TID) activities yielded information that the latter has relatives with records for such activities, Humberto Chavez Penaherrera (aka "Calavera") in particular. The trafficker was arrested at his house in the company of Cirilo Cardenas Mendoza and Ausberto Grandez, along with arms and military equipment, communications equipment, in a joint EP-PNP operation. The sum of $2,000 was paid to EP Captain "Alfaro" for the return of 04 FAL; he is a known trafficker in Alto Huallaga."

What is surprising about this report is not so much the content of what was found and seized, but the fact that it confirms the proximity of the dates.

If, on 24 July 1990, a police patrol managed to identify and then destroy Vaticano's logistical infrastructure in Campanilla, it is surprising that the following year, he should be promoting a questionable Defense Front of the People of Campanilla with the consent and apparent benevolence of the Army and that, during the early months of 1992, based solely on the information obtained, he should with impunity be running a vast drug trafficking network.

There are more than enough reasons for a thorough investigation of the possible relations of this drug trafficker with prominent military and Police officials in the zone. To fail to do so will weaken even further the precarious image which our country has abroad in terms of its fight against drug trafficking.

Despite Popularity Fujimori Will Not Win in First Round

PY2103160394 Lima EXPRESO in Spanish 7 Mar 94 p A6

[Text] President Alberto Fujimori is the favorite candidate for the 1995 elections according to a poll conducted by the Datum enterprise.

The poll reveals that between Fujimori and Javier Perez de Cuellar, 35 percent prefer Fujimori and 30 percent Perez de Cuellar.

The survey also reveals something new: If Fujimori competed against an unidentified candidate of the opposition, the latter would obtain 36 percent of the votes and Fujimori 39 percent.

Even like this, Fujimori would still be 11 points below the figure required to, hypothetically, win the first round of elections and thus eliminate a second round.

The results of the poll, which included a universe of 400 people of different social levels in Lima and Callao between 26 February and 1 March, were disclosed yesterday during the television program "Contrapunto."

Venezuela

Students Clash With Police Over Increased Bus Fares

PA1803202094

[Editorial Report] Caracas EL NACIONAL in Spanish on 16 March publishes on page D-11 a 350-word report on student unrest in Lara State, and Caracas EL UNIVERSAL in Spanish on 16 March publishes on page 4-29 a 200-word report on student unrest in Maturin. The first report notes the incidents involve students in Barquisimeto, Lara State, who on 15 March protested the loss of discounted preferential student bus fares. They hijacked several buses and set one on fire. Unrest began at 0700 with students setting tires on fire, but grew increasingly violent by 1000. Demonstrators stoned several buses and a shopping center. Police report that many of the demonstrators were not students, but infiltrated agitators.

The second report involves students from the Francisco Iznardi High School who clashed with the State Police Special Brigade on 15 March, also over bus fares. Police used tear gas to try and disperse the mob who hurled stones. According to witnesses, these were the most violent clashes ever seen in this city. Additionally, there was a transportation strike called for by the unions, which prevented hundreds of people from riding buses to work. The Mayor's Office reportedly has not replied to a request for a 15-bolivar fare hike. Students have stated that the student half fare must be maintained otherwise they will continue the unrest in Maturin.